

## HOUSE OF REPRESENTATIVES.

FRIDAY, April 11, 1902.

The House met at 12 o'clock m. Prayer by the Chaplain, Rev. HENRY N. COUDEN, D. D.

The Journal of yesterday's proceedings was read and approved.

## MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. PARKINSON, its reading clerk, announced that the Senate had passed bills of the following titles; in which the concurrence of the House of Representatives was requested:

S. 4355. An act authorizing the issuance of a patent to the county of Clallam, State of Washington;

S. 4969. An act granting an increase of pension to Abbie George; and

S. 3898. An act to provide for the purchase of a site and the erection of a public building thereon at Flint, in the State of Michigan.

The message also announced that the Senate had passed with amendments bill of the following title in which the concurrence of the House of Representatives was requested:

H. R. 11354. An act making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1903.

## COMMITTEE TO ATTEND FUNERAL OF W. S. ROSECRANS.

The SPEAKER. The Chair makes the following announcement.

The Clerk read as follows:

Committee to attend the funeral exercises of the late W. S. Rosecrans: W. P. HEPBURN, C. H. GROSVENOR, EUGENE F. LOUD, GEORGE W. STEELE, WASHINGTON GARDNER, MONTAGUE LESSLER, WILLIAM ELLIOTT, CHAM CLARK, AMOS J. CUMMINGS, GEORGE W. TAYLOR of Alabama.

## LIGHT KEEPER'S DWELLING AT CALUMET HARBOR, MICHIGAN.

Mr. MANN. Mr. Speaker, I submit the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7675) to construct a light-house keeper's dwelling at Calumet Harbor, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

WM. P. HEPBURN,  
JAMES R. MANN,  
R. C. DAVEY,  
*Managers on the part of the House.*  
JAMES McMILLAN,  
KNUTE NELSON,  
A. S. CLAY,  
*Managers on the part of the Senate.*

The statement was read, as follows:

Statement of the managers on the part of the House of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7675) to construct a light-house keeper's dwelling at Calumet Harbor.

The managers on the part of the House state for the information of the House that the Senate recedes from its amendment.

The bill, therefore, as presented by the conference is the same as it was when it passed the House.

W. P. HEPBURN,  
JAMES R. MANN,  
R. C. DAVEY,  
*Managers on the part of the House.*

The conference report was considered, and agreed to.

## POST-OFFICE APPROPRIATION BILL.

Mr. LOUD. Mr. Speaker, I ask unanimous consent that the Post-Office appropriation bill be taken from the Speaker's table, and that the House nonconcur in the Senate amendments and ask for a conference.

The SPEAKER. The gentleman from California, chairman of the Committee on Post-Offices and Post-Roads, asks unanimous consent that the Post-Office appropriation bill be taken from the Speaker's table, that the House disagree to the Senate amendments and ask for a conference. Is there objection? [After a pause.] The Chair hears none.

The SPEAKER appointed as conferees on the part of the House Mr. LOUD, Mr. SMITH of Illinois, and Mr. SWANSON.

## REPRINT OF A BILL.

Mr. LACEY. Mr. Speaker, House bill 11536 and the report are out of print. There is considerable demand for this bill and I ask unanimous consent for a reprint.

Mr. PAYNE. What is the title of the bill?

Mr. LACEY. The bill relates to the forests reserves.

The SPEAKER. The gentleman from Iowa asks unanimous consent for the reprint of House bill 11536 and the accompanying report 908. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

## RECIPROCITY WITH CUBA.

Mr. PAYNE. Mr. Speaker, I move that the House now resolve itself into Committee of the Whole House on the state of the Union for the further consideration of House bill 12765.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. SHERMAN in the chair, for the further consideration of the bill (H. R. 12765) to provide for reciprocal trade relations with Cuba.

Mr. LONG. Mr. Chairman, few measures have received more careful consideration by a committee of the House of Representatives than reciprocity with Cuba.

The Committee on Ways and Means began hearings on the subject on the 15th of January and continued them until a volume of 766 pages was required to contain the statements of persons who voluntarily appeared before the committee.

The question was then considered by the Republican members of the committee for some weeks, and finally a resolution was adopted to submit the question to a Republican conference. Such a conference was called, and after five successive meetings the conference directed the Committee on Ways and Means to report a bill providing for reciprocal trade relations with Cuba. Further consultations were held, and finally on March 31 the committee, by a vote of 12 to 5, reported the bill now under consideration to the House.

It has been alleged by Republicans in this debate that this is not a Republican measure; that in some way or manner it lost that quality when three Democrats in the committee voted to report this bill. I say to these Republicans that this measure was strongly recommended in the annual message of Theodore Roosevelt, a Republican President of the United States. It was indorsed by a Republican conference by a vote of 85 to 31. This bill was considered in the Committee on Ways and Means, and nine of the eleven Republican members of that committee voted to report it. It is before the House of Representatives by virtue of that report and it is none the less a Republican measure because three Democrats of the committee joined with the nine Republicans to report it.

This is not a proposition to revise the tariff. The bill is not subject to an amendment changing the rates of duty in any schedule of the Dingley law. The claim that it is the duty of all protectionists to oppose this measure because it opens up a revision of the tariff is unwarranted. The maintenance of a protective tariff is not involved in this proposed legislation, but the future of the policy of reciprocity depends upon the fate of this bill. If we can not have reciprocity with Cuba, we can not have it with any other country. The defeat of this bill would mean that the Republican party had refused to follow the leadership of Blaine and McKinley, and it would mean that reciprocity was no longer a part of the Republican faith. If reciprocity is to be restricted to articles that we do not produce in this country, it will mean an abandonment of that doctrine.

## PENDING BILL FOLLOWS REPUBLICAN PRECEDENTS.

The Republican platform of 1896 contained the following statement in regard to the repeal of the reciprocal agreements made under the McKinley law:

We believe the repeal of the reciprocity arrangements negotiated by the last Republican Administration was a national calamity, and we demand their renewal and extension on such terms as will equalize our trade with other nations, remove the restrictions which now obstruct the sale of American products in the ports of other countries, and secure enlarged markets for the products of our farms, forests, and factories.

One of the reciprocity arrangements above referred to was with Cuba, and we are now engaged in an attempt to renew and extend it. After the Republican party returned to power, as a result of the election of 1896, the Dingley bill was reported to the House by the Committee on Ways and Means, and on the 31st of March, 1897, it passed this body and was sent to the Senate. Section 3 of that bill as it passed the House contained a provision authorizing the President, without further action by Congress, to make reciprocal agreements with other nations, by reducing the duties imposed by the bill upon certain specified articles. The Dingley bill, containing this provision, passed the House supported by gentlemen on the Republican side who are now opposing this legislation.

Sugar was one of the articles on which the President was authorized to reduce the duties. The duty on 96° raw sugar was fixed at \$1.63 per 100 pounds, instead of \$1.685, as in the present law. The President was authorized to reduce the duty 8 per cent, or to \$1.499 per 100 pounds. If this bill becomes a law, the duty on the same grade of Cuban sugar will be \$1.348 per 100 pounds. If the Senate had not changed the Dingley bill, the President, under it, would have been authorized to make agreements not only with Cuba that would have let in her sugar at \$1.499, but also with Germany, France, Austria, and every other sugar-producing country that would have admitted their sugar at \$1.499. Section 3 was changed in the Senate, so that sugar was not included among

the articles upon which the President was authorized to make concessions.

Section 4 of the present law, however, was incorporated in the bill, which authorized the President to make reciprocal treaties, that must be concurred in by two-thirds of the Senate and approved by Congress, which may reduce any of the duties of the Dingley law not exceeding 20 per cent. If this bill becomes a law, the President will be authorized to reduce the duty on Cuban sugar 20 per cent, or to \$1.348, a reduction no greater than he could have made under section 4 of the Dingley law if he had made a treaty within two years from its passage.

#### THE REPUBLICAN PLATFORM OF 1900.

We are met by the statements of the gentleman from Michigan [Mr. WM. ALDEN SMITH] and other gentlemen that the policy of the Republican party on the question of reciprocity has been changed by the platform adopted at Philadelphia in 1900; that at present we can have reciprocity only on articles that we do not produce in this country. These gentlemen have read from this Republican platform to establish their proposition. I can not consent to this interpretation of the platform of 1900. Let us read it:

We favor the associated policy of reciprocity, so directed as to open our markets on favorable terms for what we do not ourselves produce, in return for free foreign markets.

Now, these gentlemen construe the word "what" to mean "articles." They would make it read that we should open our markets on favorable terms for "articles" that we do not ourselves produce. That is not the language of the platform. While subject to that interpretation, it is also subject to another interpretation, and that is that we can open our markets under reciprocity arrangements for such part of our consumption as we do not produce in this country. We do not produce all the sugar we consume. We will consume this year 2,550,000 tons. We will produce from beets and cane in the United States, including Porto Rico and the Hawaiian Islands, only 875,000 tons. This leaves us to import from other countries 1,625,000 tons.

Under these conditions a fair interpretation of the Philadelphia platform authorizes reciprocal arrangements which include sugar. If we confine reciprocity to such articles as we do not produce at all, we abandon the doctrine. It means that we will no longer have reciprocity as part of the Republican faith. To show that this interpretation is a fair one, I want to call attention to some things that have been done by a Republican President since this platform was adopted on June 20, 1900.

It is fair to assume that President McKinley, who was unanimously renominated at that convention, understood the platform and indorsed its declaration of principles.

Section 3 of the Dingley law, which has been followed in form in the Payne bill now under consideration, authorized the President to make reciprocal agreements. Such agreements were made with four countries—France, Germany, Italy, and Portugal. They are now in force, and include articles which we produce in this country. Two of these four agreements were signed by President McKinley after the adoption of the Republican platform of 1900. On July 13, 1900, he signed the agreement with Germany, and on July 18, the one with Italy. The agreement with France was signed May 30, 1898, and the one with Portugal, June 12, 1900, just one week before the assembling of the Philadelphia convention. Under these agreements, certain articles which we produce in this country are admitted at greatly reduced rates of duty. These four agreements have been in operation ever since. They are in operation now. They include articles that we produce in this country.

Mr. HEPBURN. Will the gentleman be so kind as to name those articles he relies upon as sustaining his assertion that the platform of 1900 was an abandonment of the old doctrine of reciprocity?

Mr. LONG. I do not claim that it was an abandonment of the old doctrine of reciprocity. I claim the platform of 1900 did not change the policy of the party on reciprocity.

Mr. HEPBURN. You said it was an abandonment of the theory that we were to admit articles that we did not produce.

Mr. LONG. I said that if you confined the doctrine to articles that we do not produce in this country—that if you put that interpretation on the platform—then William McKinley, when he made these agreements, violated the platform upon which he was renominated.

Mr. HEPBURN. Possibly there are to be found in those treaties articles of insignificant character that sustain the gentleman's assertion. But I would like to have him name those articles that he relies upon as proof of his proposition and also to name the value of the importations of such articles.

Mr. LONG. I will do so. The value or importance of the articles is immaterial. It is a question of principle. If we interpret the platform to mean that we can not admit articles under reciprocity that we produce in this country, then we should not vio-

late the platform by the admission of such articles. I will now name some of the articles. Among the articles included in these agreements were brandies, all other spirits manufactured or distilled from grain or other materials, champagne and other sparkling wines, and still wines.

During the fiscal year ending June 30, 1901, the importations under these agreements were: From France, \$4,350,334; from Germany, \$1,181,552; from Italy, \$1,355,558; from Portugal, \$297,194. The importations from these four countries under these agreements in that year amounted to \$7,185,235. The amounts from all other countries on articles included in these agreements were \$8,131,790.

I am informed by the Director of the Census that the champagnes and other sparkling wines manufactured in the United States in the census year amounted in value to \$664,972; that the total amount of still wines were of the value of \$6,504,701, and that spirits manufactured from grain and other materials amounted to \$140,000,000.

It is reasonable to suppose that the value of such articles manufactured in the fiscal year 1901 amounted to as much as those manufactured in the census year.

Not only have we this, but we have further evidence of the practical construction of this platform. It was adopted in June, 1900.

Mr. NEEDHAM. Does the gentleman contend these agreements were in force without ratification by either branch of Congress?

Mr. LONG. Certainly, certainly; they were put in force just like this bill will be put in force. We have under the Dingley law two kinds of reciprocity—one in section 3, covering certain specified articles on which we authorize the President to make a reduction. We say in advance what the reduction shall be. We give him authority to make the *agreement*. He makes it; issues his proclamation, and that ends it. No further action by Congress is necessary, just as under this bill. Then, under section 4, we have reciprocity *treaties*. They are negotiated by the President, but must be ratified by the Senate and approved by Congress before they become effective.

Mr. NEEDHAM. Does that power extend indefinitely as to time?

Mr. LONG. Two years is the limit in the Dingley law for making *treaties*. Now, there were treaties made—

Mr. NEEDHAM. The time is passed, then.

Mr. LONG. There were seven treaties negotiated under section 4 and submitted to the Senate the year previous to the adoption of the Philadelphia platform. In December, 1900—

Mr. PRINCE. Will the gentleman yield for a question?

Mr. LONG. Certainly.

Mr. PRINCE. You say that under the law as it now stands the President can enter into a reciprocal treaty with another country?

Mr. LONG. A reciprocal treaty?

Mr. PRINCE. Yes.

Mr. LONG. The gentleman can not get me into a controversy with the Senate on that proposition.

Mr. PRINCE. Very well.

Mr. LONG. The Senate—that is, some Senators—insist that the President can, under the Constitution, make a treaty of commerce, of reciprocity, just the same as he can make a treaty covering any other subject and submit it to the Senate for ratification.

Mr. PRINCE. Then he has that right?

Mr. LONG. They claim so. I am not discussing that proposition or taking any position upon it.

Mr. PRINCE. Has President Roosevelt the same right to make a treaty with Cuba that President McKinley had to make a treaty with Italy and Germany, the countries you have mentioned in your argument?

Mr. LONG. He has not the authority to make a reciprocal agreement with Cuba which would include sugar and tobacco. We are now engaged in the business of giving him that authority.

Mr. PRINCE. Why, I thought you said under the two provisions—

Mr. LONG. Oh, no; the gentleman misunderstands.

Mr. PRINCE. Very well.

Mr. LONG. Those *agreements* were made under section 3 of the Dingley law. They are similar to the fifteen agreements that were made under section 3 of the McKinley law, under which the President is given authority in advance to reduce the duties. The duty is fixed in the law. Then we say to the President: "You can make a reciprocal agreement, and if you do, the rates shall be so and so," designating them. He can then make the agreement within those limitations, and the Supreme Court, in the case of *Field v. Clark* (143 U. S., 649), in construing the McKinley law, decided that such reciprocity agreements are constitutional.

Mr. PRINCE. Very well. Then you claim, as it now stands,



if Cuba was free and independent and she wanted to enter into a like arrangement with the United States that Germany entered into that she can not enter into it.

Mr. LONG. Certainly. A similar agreement could be made with Cuba; but the articles named in section 3 of the Dingley law are not produced in Cuba. We are now endeavoring to authorize the President to make a similar agreement on articles that Cuba does produce.

Mr. PRINCE. Yes; very well.

Mr. LONG. We are now endeavoring to give the President such authority. That is the purpose of this bill. If the gentleman will read the Payne bill, now under consideration, and also read section 3 of the Dingley law, he will find—and it is no reflection on the distinguished chairman of the Committee on Ways and Means—that Mr. PAYNE has followed very closely the language in section 3 of the Dingley law, which in turn followed the language of section 3 of the McKinley law.

The treaties negotiated by President McKinley under section 4 of the Dingley law—and I now desire the attention of the gentleman from Iowa [Mr. HEPBURN]—covered articles that we produce in this country. The treaties with Great Britain provide for the admission of sugar and molasses from the Barbadoes, British Guiana, and Jamaica at a reduction of 12½ per cent from the rates of duty fixed by the Dingley law. The treaty with Argentina provides for a reduction of 20 per cent of the Dingley duties on all sugars—just the reduction proposed by this bill—as well as a reduction of 20 per cent on hides and wool. The treaty with France reduces the duties from 5 to 20 per cent on silk, cotton goods, jewelry, and many other articles, all of which are produced in this country.

These treaties were submitted to the Senate the year before the Philadelphia convention. They had not been ratified, however. In December, 1900, in his annual message to Congress, President McKinley again urged their ratification upon the Senate. He said—and I want the special attention of the gentleman from Iowa [Mr. HEPBURN] to this—

The failure of action by the Senate at its last session upon the commercial conventions then submitted for its consideration and approval, although caused by the great pressure of other legislative business, has caused much disappointment to the agricultural and industrial interests of the country which hoped to profit by their provisions.

Further on he says:

The policy of reciprocity so manifestly rests upon the principles of international equity and has been so repeatedly approved by the people of the United States that there ought to be no hesitation in either branch of Congress in giving to it full effect.

I commend to the consideration of the gentleman from Iowa [Mr. HEPBURN] and to other Republicans who are opposing this measure because it provides for reciprocity on articles that we produce in this country these words of President McKinley, written in December, 1900, after his triumphant reelection upon the Philadelphia platform.

Mr. SCOTT. That is from his message?

Mr. LONG. That is from his message submitted to Congress. So I say that under the interpretation given to that plank of the platform by the acts and words of President McKinley we can not construe it to mean that reciprocity must be confined to articles that we do not produce in this country. Therefore the Committee on Ways and Means, in reporting this bill authorizing reciprocity with Cuba, are not untrue to the Republican faith when we include among the articles tobacco and sugar, which are produced in this country.

#### WILL ANY AMERICAN INDUSTRY SUFFER?

Reciprocity with Cuba involves the consideration of the question whether a reduction of 20 per cent on Cuban products will injure the sugar and tobacco interests of the United States.

Congress can not determine whether reciprocity treaties that have been negotiated by the President will injure any American industry until such treaties are submitted to it for ratification and approval. But in authorizing the President to make reciprocity agreements that will become effective without further action by Congress, as is provided by this bill, it is the duty and province of Congress to determine in advance whether such agreements so authorized would harm any American industry.

I do not admit that Congress must leave it to the special interests concerned to determine whether they are harmed or not. If we do so, we will have no more reciprocity agreements; if we do so, we will never change any schedule of the Dingley law in all time to come. For there will always be special interests that will appeal to Congress and say, "Do not do that; do not change that schedule; it will ruin us." Must Congress stop just because these special interests make these claims? Is it the duty of Congress to abandon proposed legislation when such claims are made? I say no. It is the duty of Congress to look into the question and determine, if a reciprocity agreement is made, whether there will still be sufficient protection left to our industries and whether any harm will come from the reduction.

The production of cane sugar in this country is confined to the States of Louisiana and Texas. Beet sugar is produced in 42 factories, located principally in the States of Michigan, New York, Colorado, Utah, Nebraska, Oregon, and California.

During the calendar year 1901 we consumed in this country 2,372,316 tons of sugar. Of this amount 292,150 tons were produced in Louisiana and Texas from cane, 309,070 tons in Hawaii, 66,279 tons in Porto Rico, and 124,859 tons from beet sugar of the United States. The total amount of sugar imported last year, on which duty was paid, was 1,551,881 tons, of which 559,800 tons came from Cuba. Our estimated consumption of sugar for the current year is 2,550,000 tons, of which amount 750,000 tons will come from Cuba; 300,000 tons will be produced in this country from cane; Porto Rico, 100,000 tons; Hawaii, 300,000 tons; beet sugar, 175,000 tons. Nine hundred and twenty-five thousand tons will be imported from other countries than Cuba. Eight hundred and seventy-five thousand tons will be free and 750,000 tons will come from Cuba.

Can we take the sugar and tobacco of Cuba at a reduction of 20 per cent without harm to our industries and labor? This trade arrangement will undoubtedly extend the outlet for our increasing surplus, but will it interrupt our home production?

#### TOBACCO AND SUGAR ENJOY HIGHEST PROTECTION.

The total duties collected upon all imports into this country for consumption in the fiscal year 1901 amounted to \$230,641,499.82, of which amount \$62,680,260.03, or 27 per cent, was realized from duties on sugar.

In the fiscal year 1901 cotton and its manufactures paid an average ad valorem duty of 54.87 per cent; wool and its manufactures, 70.21 per cent; silk, 53.07; iron and its manufactures, and steel and its manufactures, 38.15 per cent; leather and its manufactures, 35.13 per cent; tobacco and its manufactures, 110.63 per cent; sugar, 73 per cent.

Sugar constitutes 44 per cent of all of Cuba's exports. It practically all comes to this country. Tobacco and its products constitute 45 per cent of all Cuba's exports, and we take 46 per cent of all the tobacco she exports. Sugar and tobacco are the two principal industries of Cuba. Of course, later on, after they have read the very eloquent speech of my good friend from Michigan [Mr. WM. ALDEN SMITH], in which he advises them to go out of the sugar business and go into the orange, lemon, and coffee business, they will quit raising sugar, abandon their plantations with millions of dollars invested in them, and go to raising fruits and come into competition with some of the industries of my friend from California, [Mr. NEEDHAM]. At present—

Mr. KAHN. Is not that what the people there are asking the people of Louisiana to do—to go out of the sugar business?

Mr. LONG. Not at all. The sugar of Cuba comes to this country and will continue to come here, either at a profit or loss.

The average ad valorem duty on all imports into this country was 49.64 per cent in the fiscal year 1901. The duty on sugar is higher now, comparatively, than it was in 1901. It is still \$1.685 per 100 pounds, but during 1901 the Cuban planter received an average of \$2.30 per hundred pounds for his sugar, which made the duty 73 per cent of his selling price. To-day he receives only \$1.60 per hundred for his sugar. The duty is still \$1.685 per hundred, which is 105 per cent of what he gets for his sugar. To-day the beet and cane sugar producers of this country are protected from the competition of Cuban sugar by an ad valorem duty of 105 per cent. Can the sugar industry of this country stand a reduction of 20 per cent on this duty without injury?

A reduction of 20 per cent of the present duty would leave the specific duty on sugar \$1.348 per 100 pounds. With sugar worth \$3.375 in New York, to-day's price, it would be worth \$1.937 in Cuba. This would leave the equivalent of the specific duty of 69 per cent ad valorem. It would still leave sugar the most highly protected industry, excepting only tobacco.

During the fiscal year 1901 we imported cigars and other manufactured tobacco products from Cuba of the value of \$2,292,151. The duties on these articles amounted to \$2,485,150.75. The duties were \$192,199.75 greater than the value of the articles imported.

Surely, with the duties on manufactured tobacco amounting to 110 per cent, a reduction of 20 per cent can be made without harm to the tobacco industry.

Sugar is one of the most highly protected articles in the Dingley law, the object being, as the gentleman from Ohio [Mr. GROSVENOR] says, to use it as trading stock in reciprocity agreements. Now, when we come to make the agreements, we find Republicans from Michigan, California, and other States throwing up their hands and saying: "Oh, we can not stand this."

Mr. WM. ALDEN SMITH. Were they not put in there for the purpose of stimulating and protecting an American industry?

Mr. LONG. Certainly. It is so stated in the conference report on the Dingley bill.

Mr. WM. ALDEN SMITH. Were they not put in there for the purpose of stimulating American production?

Mr. LONG. Yes, sir; the differential duty on refined sugar that you have said you would move to strike out—

Mr. WM. ALDEN SMITH. No; I have not announced my intention to make that motion.

Mr. LONG. Have you not announced your intention to join the Democrats in that effort?

Mr. WM. ALDEN SMITH. Not at all.

Mr. LONG. Have you not stated that you would vote with them to overrule the Chair?

Mr. WM. ALDEN SMITH. No, sir; I am a Republican.

Mr. LONG. You are a Republican clear through?

Mr. WM. ALDEN SMITH. Clear through.

Mr. LONG. I believe it was the gentleman from Minnesota [Mr. MORRIS] who said he would make that motion.

Mr. WM. ALDEN SMITH. The gentleman ought not to get confused about that matter.

Mr. LONG. I am glad to know the gentleman's position. I do not know whether he speaks for all the beet-sugar contingent on this floor.

Mr. WM. ALDEN SMITH. I do not recognize that there is any beet-sugar contingent on the floor. I speak for the protectionists on this side.

Mr. LONG. Does the gentleman speak for all protectionists?

Mr. WM. ALDEN SMITH. All those who have registered up to date on the committee's proposition. [Applause.]

Mr. LONG. Will the gentleman tell me how many are registered?

Mr. WM. ALDEN SMITH. The gentleman ought to know how many are registered, as he has been continuously for five weeks every day in this House endeavoring to find out. [Applause.]

Mr. LONG. But I have not had the opportunities for ascertaining the number on that register like the gentleman from Michigan.

Mr. WM. ALDEN SMITH. Kansas does not see any limitation in the gentleman's ability.

Mr. LONG. I thank the gentleman for his observation.

Mr. HAMILTON. What is the matter with Kansas?

Mr. LONG. But the fact is, Michigan's information is much more accurate than mine.

Mr. WM. ALDEN SMITH. Michigan claims no superior light over that given to the gentleman from Kansas.

#### DIFFERENTIAL FOR PROTECTION OF BEET-SUGAR INDUSTRY.

Mr. LONG. I want to call attention to the differential duty on sugar in the Dingley law. It was the same in the House bill as in the law. The Senate increased it, but the conference committee agreed to the House differential. In the conference report, signed by Mr. Dingley, Mr. PAYNE, Mr. DALZELL, and Mr. GROSVENOR, I find this statement:

In deference to the wishes of those interested in beet-sugar production, that the Senate rate of 1.95 on refined sugar might be retained as an increased encouragement to this industry, the duty on raw sugars is increased seven and one-half hundredths, so as to make the increase on them the same as the increase on refined sugar, and thus leave the differential between raw sugar and refined the same as in the House bill.

That was done as a protection to the beet-sugar industry, and yet there are Republicans in this House—I am glad to know the gentleman from Michigan is not one of them—who have announced their intention, if they can not defeat this bill, to seek to amend it, striking off the differential on sugar from all countries, and thus let in foreign refined sugar in competition with the refined sugar of the United States. If that is done, it will be the first time in our history that there is no differential in our tariff rates between refined and raw sugar.

Mr. COOPER of Texas. Does the gentleman find that in the Walker bill of 1846?

Mr. LONG. I do; and the gentleman can find it. If he will refer to the Walker tariff of 1846, which was a Democratic tariff, he will find that the duty was 30 per cent ad valorem on all sugars. If he will refer to the prices of sugar at that time he will find that the price of refined sugar was much higher than the price of raw sugar. This difference in prices made a differential in the Walker tariff that was much greater than the present differential.

Mr. COOPER of Texas. Does the gentleman say that is expressly stated in the law?

Mr. LONG. Expressly stated in the law in this way: The law said 30 per cent ad valorem on all sugars. This made a differential in the Walker tariff, because there was a difference in the values of the sugars on which this duty was levied. There has been a differential in all other tariffs, whether Federal, Whig, Democratic, or Republican, from 1789 down to the present time. The differential of one-eighth of 1 cent per pound in the Dingley law is lower than the differential in any other tariff law.

Mr. COOPER of Texas. The gentleman has stated that in the Walker tariff of 1846 there was a differential. Now, I find that in that tariff there was a uniform duty of 30 per cent ad valorem upon sugar of all kinds. I would therefore like the gentleman to

state where he finds his foundation for the statement that that tariff contained a discrimination or differential?

Mr. LONG. Does not my friend understand that there was a difference at that time in the prices of raw sugar and refined sugar?

Mr. COOPER of Texas. In the market?

Mr. LONG. Yes; in the market.

Mr. COOPER of Texas. But here is a duty of 30 per cent ad valorem levied upon all kinds of sugar—

Mr. LONG. Certainly. Take the duty in that tariff of 30 per cent ad valorem on crushed sugar worth \$11.37 a hundred. That duty would amount to \$3.41. Then take Havana brown sugar worth \$7.80 a hundred. The duty on that sugar at 30 per cent ad valorem would be \$2.34. The difference, \$1.07 per 100 pounds, was the differential established by the Walker tariff. The present differential under the Dingley law is 12½ cents per 100 pounds.

Mr. COOPER of Texas. That is a question of the market price, not a question as to the law. The law fixed a uniform duty of 30 per cent ad valorem upon all sugar. That was not a differential.

Francis K. Carey, president of the National Sugar Manufacturing Company, of Sugar City, Colo., gives the freight rate (Hearings, p. 436) from Sugar City to Kansas City and common points as 25 cents per 100. The following is his testimony as to the cost of producing beet sugar in Colorado (Hearings, p. 438):

Mr. METCALF. Let me put this question right here; I want to put it in connection with this line of remarks. You asked Mr. Carey the price he received for his sugar in his first campaign, Mr. NEWLANDS, and my recollection is that he said somewhere about 5 cents a pound. What did it cost you, Mr. Carey?

Mr. CAREY. It cost about 9. [Laughter.]

Mr. NEWLANDS. Now, how about your second campaign? What did it cost you in that campaign?

Mr. CAREY. I am not able to answer that question at present, but I think I can tell you what you want to know. My opinion is that during the first campaign our sugar cost us all the way from 7 to 9 cents, according to what you allow for depreciation, what you call betterments, and what you call operating expenses, and whether you do or do not allow interest on the cost of the investment. I think that for the first two campaigns we will manufacture between nine and ten million pounds of sugar, at an average cost of about 5½ cents a pound.

Mr. LONG. I am surprised to have such a proposition submitted to me by a colleague on the Committee on Ways and Means. If it had come from some gentleman who had not given the close attention to economic questions that the gentleman from Texas has, I might not have been so much surprised. But when the gentleman is unable to find any differential in the Walker tariff of 1846, which levied a 30 per cent duty on sugar of one value and 30 per cent on sugar of a higher value, of course I must decline to explain the matter further.

Mr. COOPER of Texas. I appreciate the gentleman's kindness; but I still adhere to the assertion I made that there was in that law a uniform duty levied. It may be that in consequence of the prices of different kinds of sugar one kind had an advantage over another kind; but there was no discrimination or differential in the law; there was a uniform tax levied on all kinds of sugar. That was the law.

Mr. LONG. The Wilson-Gorman tariff law levied a duty of 40 per cent ad valorem on all sugar, and in addition a specific duty of one-eighth of 1 cent on refined sugar. Does the gentleman claim that the only differential in the Wilson-Gorman law was that one-eighth of 1 cent specific duty?

Mr. COOPER of Texas. No; I have not said and do not claim that there was not a difference in tax in the practical operation of the law upon the different kinds of sugar; but I want to reply to the gentleman by asking him this question: Is he willing now to adopt the system adopted in the Walker tariff and levy a uniform duty on all sugar?

Mr. LONG. Certainly not. We have discarded ad valorem duties whenever possible. We impose specific duties, because we know just what they are.

Mr. COOPER of Texas. If, under a uniform duty, you had practically the benefit of a differential, as you claim, why should you object to putting a uniform tax on all these products?

Mr. LONG. Because of the fact that ad valorem duties give opportunity for fraud by means of undervaluation. The Dingley law was framed upon the theory that duties should be specific as far as possible. Am I not correct [turning to Mr. PAYNE]?

Mr. PAYNE. Certainly.

Mr. LONG. At some future time, in the quietude of the consultation room of the Committee on Ways and Means, I will endeavor to explain to the gentleman from Texas the differential in the Walker tariff of 1846, as well as in all other tariffs since the beginning of the Government.

Mr. COOPER of Texas. I suppose it is a problem of multiplication and division.

Mr. LONG. It is.

I now refer to the duty on sugar from Cuba. The present price of 96° raw sugar in New York is \$3.375 per 100 pounds. The



present equivalent ad valorem duty on that sugar is 105 per cent. If we reduce the duty on Cuban sugar 20 per cent it will leave the equivalent of 69 per cent ad valorem. Yet the gentleman from Michigan said his industry would decline and dwindle away under a protection of only 69 per cent ad valorem.

Mr. WM. ALDEN SMITH. I said it would imperil the industry.

Mr. LONG. Imperil it! The growth of his industry lies in the difference between a duty of 69 per cent ad valorem, what it would have under this bill, and 105 per cent, that which it has now!

Mr. WM. ALDEN SMITH. Will the gentleman allow me?

Mr. LONG. Certainly.

Mr. WM. ALDEN SMITH. I say the security of our industry lies in the difference between the maximum production of sugar in Cuba of 800,000 tons to-day and a possible production of 2,500,000 tons in the future.

Mr. LONG. We will take care of the 2,500,000 tons of Cuban sugar when it comes. We will meet the problem of increased production in three or four years, when the application is made by Cuba for annexation to the United States. A great increase of production will not happen under this reduction of 20 per cent of the duty.

If this legislation fail and no concession be made to Cuba, if the policy of President McKinley and President Roosevelt be defeated, it may result in free sugar from Cuba. After the establishment of the Republic of Cuba a treaty may be negotiated with that country by the President. That treaty can provide for the annexation of the island of Cuba, as the recent treaty did for the annexation of the Danish West Indies, and that treaty can be submitted to the Senate and ratified. The moment that the ratifications are exchanged, under the decision of the Supreme Court in the Porto Rican case, we would have free trade with Cuba on all products.

So this House is not supreme, and it does not control or dominate this situation. It would be the part of wisdom for us to make a reasonable concession that will not injure any industry in the remotest degree. This question will not be settled if Congress at this session declines to take action. Conditions in Cuba are such that this question will not be settled until action is taken that will afford the desired relief, and will enable Cuba to recuperate. The failure of concessions at this time may mean the growth of annexation sentiment in Cuba, and in the near future the beet-sugar industry of this country may have to face the possible annexation of Cuba, which would ultimately mean free sugar from Cuba as it has from Porto Rico.

Annexation will probably come in the not far-distant future, but when it does come I want it to come by the free act of the Cuban people, and when they come permanently under our flag, I do not want them to feel it is forcible annexation, which President McKinley characterized as "criminal aggression."

#### CUBA CAN NOT COMPETE WITH BEET SUGAR IN CHICAGO.

Will a specific duty of \$1.348 per hundred be a sufficient protection to the beet-sugar industry of the United States? It costs 9 cents per hundred for freight and other charges to ship raw sugar from Cuba to New York City. It costs \$2 per hundred to produce sugar in Cuba and put it on board ship. Hence it would cost the Cuban planter \$3.488 per hundred under the proposed law to place his raw sugar, duty paid, in New York City, without any profit. It is conceded that it costs \$0.625 per hundred to refine sugar (Hearings, p. 575), without profit to the refiner. Hence it would actually cost \$4.063 per hundred to turn out refined sugar in New York from Cuban sugar paying \$1.348 duty per hundred pounds.

On this basis neither the planter nor the refiner would make or lose. Chicago and Missouri River points, especially Kansas City, are the markets for the beet sugar produced in this country. The freight on refined sugar from New York to Chicago is 29 cents per hundred pounds, and 36½ cents to Kansas City. Adding these freight charges to the actual cost of refined Cuban sugar in New York, it would cost \$4.353 per hundred to lay such sugar down in Chicago without profit to anyone. It would cost \$4.428 per hundred to deliver it at Missouri River points. Can the beet-sugar producers meet these prices on a cost basis? Chicago is the market for the beet sugar of Michigan and the Northwest. Can the producers of sugar in Michigan place their refined sugar on the Chicago market for \$4.353 per hundred?

N. H. Stewart president of the Kalamazoo Beet Sugar Company, when before the Committee on Ways and Means, made the following statements (Hearings, page 212):

Coming to the cost of manufacturing sugar in Michigan, it costs \$5.20 for 1 ton of beets; \$1.06, cost of supplies per ton of beets; \$1.51, cost of labor for entire year per ton of beets; \$1.09, cost of repairs and depreciation per ton of beets; 91 cents, cost of interest, insurance, and taxes per ton of beets; 6.3 cents, cost of selling sugar per ton of beets. This make a total cost per ton of beets of \$9.883; total cost per 100 pounds of refined sugar, \$4.682.

The above estimate includes 5 per cent interest on the total capital in-

vested, and 7 per cent annual depreciation on the value of the plant. Leaving out these two items, the cost of manufacturing each 100 pounds of refined sugar is reduced \$0.671, or to \$4.011.

Mr. Stewart states that the freight rate to Chicago is 13 cents per hundred. It costs his company \$4.011 plus \$0.13, or \$4.141 per hundred pounds, to put its sugar into Chicago without profit, while it costs \$4.353 to put the Cuban sugar there in competition with it, a difference of \$0.212 in favor of the beet-sugar producer under the proposed reduction.

W. L. Churchill, president of the Bay City Beet Sugar Company, stated (Hearings, pp. 468-469):

Mr. CHURCHILL. I mean 1899-1900. It cost 4½ cents to make sugar. That amount represents labor and the cost of the beets, all combined.

The succeeding year (now let us not get mixed again), which would be 1900-1901, we had learned a little more about our business. The first year we were in the kindergarten class. We got out of that into the A B C class. Then we produced sugar for \$3.96 per hundred pounds. I want you to bear in mind all the time that the farmer comes in and is a great factor in this matter. We paid the farmer \$2.51 for the sugar contained in the beet as he delivered it to our bins.

The CHAIRMAN. I am a little anxious to know how you came out the next year.

Mr. CHURCHILL. I am frank to say, gentlemen, that I have not a full, detailed statement that I can make to you in regard to this year; but I can assure you that we will make sugar this year at a cost of not to exceed \$3.60 or \$3.75 per hundred pounds.

The CHAIRMAN. You think it will be between those figures?

Mr. CHURCHILL. Yes.

The CHAIRMAN. Have you there a statement in detail about the cost of sugar?

Mr. CHURCHILL. I have.

The CHAIRMAN. Will you leave that with the stenographer and have it printed in the hearings?

Mr. CHURCHILL. I will do so. It is as follows:

#### BAY CITY SUGAR COMPANY.

##### Statement of cost of making sugar, 1900-1901 campaign.

Beets	\$273,517.95
Coal	23,707.20
Labor, including clerks' salaries	54,962.63
Supplies, such as sulphur, oil, filter cloths, piping, paper fitting, etc.	6,767.15
Lime rock	3,951.00
Coke	1,925.00
Barrels and bags	10,480.00
Insurance and taxes	10,024.00
Expenses	1,900.00
Repairs	23,000.00
Salaries	15,000.00
Total	425,234.93

To make 10,730,543 pounds sugar, or 0.0396 cent per pound.

Amount paid for sugar in beets	\$0.0251
Amount of factory expenses	.0145

Total cost production 1 pound sugar .0396

While still in the A B C class, Mr. Churchill's factory produced sugar for \$3.96 a hundred, although \$23,000 for repairs is included in this cost. If the Bay City freight rate to Chicago be the same as that from Kalamazoo—13 cents—his company can lay its sugar down in Chicago for an actual cost of \$4.09, as against an actual cost of \$4.353 for the Cuban sugar, a difference of \$0.263 in favor of beet sugar.

#### BEET SUGAR HAS ADVANTAGE ON KANSAS CITY MARKET.

Kansas City and Missouri River points are the market for the beet sugar of Nebraska and Colorado. The actual cost of placing Cuban sugar refined without profit on this market under the proposed reduction would be \$4.428. Can the sugar producers of Colorado and Nebraska meet this price on a cost basis?

When we get through our third campaign, I think the total sugar manufactured for the three years will not have cost us over 4 cents. In making this last calculation I am estimating on the future; but I am anxious to make it plain that I believe the cost of sugar in Colorado under normal conditions, which we will sooner or later have surrounding our factory, ought not to be over 3 cents a pound, and I am not afraid to say that I will some day manufacture it for less than that sum. If I had not thought so, I would not have invested my own money or the money of my friends in the industry in Colorado. In other words, I think Colorado is the natural place to produce sugar for consumption in America. It is not a case of "protecting bananas grown under glass." If I am mistaken in my belief that sugar can be grown in Colorado for 3 cents or less, I am free to admit that I have no standing before this committee, and have no right to ask for the protection of my industry.

It will be noticed that Mr. Carey's company is now producing sugar cheap enough to reduce the average cost on the 9,000,000 to 10,000,000 pounds put out during their first two campaigns from 5½ to at least 4 cents. He evidently bases his statement that his factory can turn out sugar for 3 cents upon a substantial basis. But taking \$4 a hundred as the average cost for three years, and adding the 25 cents freight rate to Kansas City, his sugar would cost him only \$4.25 in that market against \$4.428 for Cuban sugar, a difference of \$0.178 in favor of beet sugar.

#### OXNARD ON COST OF MAKING BEET SUGAR.

Henry T. Oxnard, president of the American Beet Sugar Association, said (Hearings, pp. 169-170):

The cost of producing beet sugar in the existing factories in the United States to-day varies tremendously, and the only way to arrive at any satisfactory conclusion is to take the averages. If this is done, we find that Michigan has produced sugar at about 4 cents. Taking the average of all the factories with which I have been connected in the past ten years, we will find

that the cost is just about 4 cents, varying all the way from 3½ to nearly 6 cents in the different factories during different years.

Mr. SWANSON. That is the turned-out product.

Mr. OXNARD. That is the finished granulated sugar, ready for the consumer.

Our company has two factories in California, two in Nebraska, and one in Colorado, and this ought to give a very fair average. We see individual factories varying from one year to another in a remarkable way, this variation being due to the quality of the material, the quantity worked, and the fluctuating cost of labor and materials in different years. You must not forget that this is a new industry and has not come down to its bearings, but when sugar has been produced for about 3 cents it is safe to say that some day the average of the United States will not only be brought to this, but probably under it. But, as I said before, the average cost of producing granulated beet sugar in the United States to-day, from all the facts and figures which I have been able to obtain, will bring that cost somewhere between 4 and 4½ cents without any interest on the capital invested, but including from 5 to 7 per cent for depreciation of plants, which is a very moderate reduction, and probably below the actual figures which ought to be applied.

#### COST OF MAKING BEET SUGAR IN UTAH.

Thomas R. Cutler, president of the Utah Sugar Company, shows (Hearings, pp. 237-238) that the beet-sugar industry of Utah has nothing to fear from Cuban competition, even at a much greater reduction than that which is proposed. He gives the average cost to his company of refined beet sugar for five years as follows: 1897, \$4.51 per hundred; 1898, \$4.46; 1899, \$3.55; 1900, \$3.55; 1901, \$3.42. The average cost of producing sugar for these five years was \$3.86 per hundred, and the average selling price has been \$5.76 net, or a clear profit of \$1.90 per hundred. Mr. Cutler explains that Utah has an abundance of child and woman labor, and that it is so far inland that the freight rates from either coast are very high, and adds:

I desire to call to your attention these local conditions because of the reputation my company has had for paying dividends, and to tell you why we have been able to do so.

Upon his return to Utah, after testifying before the committee, the following interview with him was published in the Lehi (Utah) Banner of February 6, 1902:

BISHOP CUTLER HOME—THINKS THAT CONGRESS WILL CONCEDE SOMETHING TO CUBANS—HAD PLEASANT TRIP—HE THOUGHT THE FIGURE WOULD BE ANYWHERE FROM 25 TO 33½ PER CENT OF THE EXISTING TARIFF.

Manager T. R. Cutler returned from his eastern trip Sunday evening. He went to Salt Lake on Monday and attended a directors' meeting of the Utah Sugar Company. Speaking of the Cuban question, he said: "It is my opinion Congress will concede something to the Cubans, though not so much as they have asked for." He thought the amount would be anywhere from 25 to 33½ per cent of the existing tariff. He rather thought the higher figure would prevail. This would mean a reduction of 56 cents per hundred pounds taken off the present tariff in favor of Cuban sugar.

Mr. Cutler said he was aware that his remarks, stating that the beet-sugar interests could stand a reduction of 25 per cent, had been criticised, but he could not in honesty take any other course.

We have been in business about eleven years, all of which, with the exception of a few opening ones when the industry was being started, have been successful. If we were to say now to our stockholders and investors that we could not stand a 25 per cent reduction without bringing ruin upon our business, they might well be alarmed, especially in view of the fact that no one in the East supposes that such a reduction would affect materially the price of sugar. Cubans themselves insist that it would not, because they need all the benefit of the reduction at home. Besides the great overshadowing question of the future, which the beet-sugar interests will have to face, is the possible annexation of Cuba, which would mean free sugar. It will be much better, to my mind, to agree on a compromise of 25 per cent if that question can be staved off indefinitely.

#### OXNARD FACTORIES FEAR NO COMPETITION.

In further proof of the proposition that the beet-sugar producers of the United States can successfully compete with cane sugar from Cuba, I refer to the following statement of the American Beet Sugar Company, taken from the New York Times of April 2, 1902:

#### Beet-sugar profits.

The annual meeting of the American Beet Sugar Company was held in Jersey City yesterday, when what is known as a "campaign statement"—practically an annual statement—was presented, and directors were elected as follows: W. Bayard Cutting, R. Fulton Cutting, Henry T. Oxnard, James G. Oxnard, Dumont Clarke, George Foster Peabody, Edwin M. Bulkley, Kalman Haas, James G. Hamilton, Robert Oxnard, and James A. Murray. The only change was in the election of Mr. Murray, who succeeds Dennistoun Wood, deceased.

The campaign statement is as follows:

Sugar produced, 77,932,502 pounds.	
Total credit.....	\$3,521,047
Cost of operating.....	2,667,029
Gross profits.....	854,018
Cost of maintenance.....	362,710
Profits of campaign.....	491,307
Estimated results for the fiscal year ending June 30, 1902:	
Campaign profits, Norfolk.....	15,226
Campaign profits, Rocky Ford.....	276,403
Campaign profits, Oxnard.....	258,191
Total.....	549,820
Campaign loss, Grand Island.....	\$15,430
Campaign loss, Chino.....	43,063
	58,513
Campaign profits.....	491,307
General expenses and interest.....	225,000
Available for dividends.....	266,307

No statement explaining the items in the report was forthcoming, but an officer of the company said the idea was to show the stockholders that there

were profits enough to insure dividends. The company has \$5,000,000 6 per cent noncumulative preferred stock and \$15,000,000 common stock. All the latter is outstanding and \$4,000,000 of the preferred. Six per cent on this preferred would be \$240,000, while, as the report shows, there is available for dividends \$266,307.

I call attention to the statement of Mr. Cutting, chairman of the board of directors of the American Beet Sugar Company, whose president—Henry T. Oxnard—has devoted his attention very assiduously and closely in Washington this winter in an endeavor to frighten the American Congress and prevent action on this matter on the ground that the beet-sugar industry of the country would be ruined by this reduction. Then he goes to New York on the 1st day of April and has a meeting of his stockholders. They figure up what they have made this year in their different factories. Then comes this statement, and I call the especial attention of my genial friend from Michigan [Mr. WM. ALDEN SMITH] to it:

W. Bayard Cutting, chairman of the board, in his statement to the stockholders, says:

In presenting to you the campaign statement of your company the chairman wishes to call attention to the fact that large amounts were expended during the year for alterations and improvements to the company's plants. Without going into tedious details, it may be said that with the prospect of a good tonnage, and the record for 1900 of a fair price for sugar, the officers determined to put their factories into a position to avail of the latest manufacturing facilities, so that they might be able to compete in sugar-making capacity with any plants in the world. This, we think, has been done.

The increasing tonnage operated and the consequent necessity for being amply prepared for the opening of the campaign compels a very large increase in the amount of supplies permanently on hand at the company's five factories.

The factory at Oxnard is now, as your chairman believes, in a condition of thorough efficiency. For the first time in the history of this factory the management is confronted with the probability of a full supply of beets of a high quality.

The agricultural conditions at Chino are similar, and the officers report that they are assured of an acreage as large as they dare engage. At Rocky Ford, Colo., the conditions are singularly encouraging. The factory seems sure of a supply of not less than 125,000 tons of beets. The conditions in Nebraska are somewhat more favorable than last year at this date. It is difficult to predicate results in that district so early in the year, where the "weather" is still to come.

Everything looks more favorable for a satisfactory campaign for 1902 than at any time in the writer's experience, if the price of sugar be excepted. The abnormally low price of sugar in the world's markets is causing us, in common with every sugar producer here and elsewhere, a reduction of business profits below what is reasonable. In 1900 we enjoyed 5.32 cents per pound for our output (which was smaller than the output in 1901). For 1901 we will average, after all our sugar is sold, not over 4.40 cents. The difference between these figures would have amounted, on our output of 1901, to about \$565,000, or about 3½ per cent on the common stock.

Your chairman does not venture to prophesy as to sugar prices. He believes them to be in certain parts of the country below the cost of production, as indicated by the market price of raw sugar, the expenses of refining, and the transportation charges. He believes that your plants can manufacture the refined product more cheaply than any other beet-sugar factories in the United States, and therefore below the cost of granulated sugar made from imported raws.

Does the gentleman from Michigan understand that statement?

Mr. WM. ALDEN SMITH. Yes; and does he say where that raw sugar is to come from, what raw sugar it is?

Mr. LONG. He makes no exception in this statement. He does not except or refer at all to this proposed legislation or say that if this bill does not pass they are all right, and if it does they are ruined.

Mr. WM. ALDEN SMITH. I should regard it as very important if he said he could do that as against the raw sugar of Germany.

Mr. LONG. He makes no exception. He says further:

The abolition of the sugar bounties recently recommended and adopted by the Brussels conference will certainly tend toward higher prices for sugars throughout the world, as operating to reduce the proportion of beet sugar in the European countries that now produce two-thirds of the world's consumption. The experts of Europe are quoted as stating that the reduction in the beet-planted acreage in Europe will amount to 12½ per cent of this year's crop, an amount estimated at about 800,000 tons.

At this the expert must leave the subject. You are probably as well able as he to indulge in prophecy as to this branch of the business, and on the agricultural and operating side the officers of your company are able to make a pleasant showing for the next campaign. The sugar market is not within their control; when they have prepared themselves to meet the market with a cost of product lower than that of any competitor they have done all in their power or all that you or any reasonable person could expect.

Mr. SCOTT. What does he mean when he says the price of sugar is not within their control?

Mr. LONG. He means that the price of sugar is fixed at Hamburg, and that conditions over there control the world price, as I shall show later along in my remarks.

Mr. SCOTT. What is the antecedent of the word "their?"

Mr. LONG. That refers to the men managing the factories. He is speaking for the managers, the men who are managing the Oxnard factories; and remember that Mr. Oxnard, in his statement as to the cost of production, put it at the same figure as your Michigan manufacturers did.

Mr. WM. ALDEN SMITH. What was that rate?

Mr. LONG. About 4 cents a pound. Bishop Cutler and those who are making sugar in Utah and Colorado put it less. They said they could make it for 3 cents a pound in those factories, but Mr. Oxnard and the Michigan manufacturers put it at 4 cents a pound.



I will not weary the committee further with a statement as to the cost of producing sugar in this country, but this is the proposition: Will the admission of 750,000 tons of sugar from Cuba at a reduction of 20 per cent affect the price of refined sugar in this country? If it does—if it lowers the price—we will fail in the object of our legislation, because no benefit would go to the Cubans.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCOTT. Mr. Chairman, I ask unanimous consent that the time of my colleague be extended, so that he may conclude his remarks.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that his colleague's time be extended so as to permit him to conclude his remarks. Is there objection?

There was no objection.

THIS REDUCTION WILL NOT LOWER SUGAR PRICES.

Mr. LONG. Will the price of refined sugar in this country be affected by this reduction? If it be not, then there will be no harm done to the beet-sugar industry. They will get the same price in the markets which they now supply as they did before the legislation was enacted.

Mr. SMITH of Kentucky. Mr. Chairman, I would like to ask the gentleman a question, if he will yield.

The CHAIRMAN. Does the gentleman yield?

Mr. LONG. Certainly.

Mr. SMITH of Kentucky. As I understand from that portion of the gentleman's argument which he has just completed, he takes the position that 69 per cent will be ample protection to the beet-sugar industries; that is, they can live with the protection that will be left after the passage of this bill.

Mr. LONG. Yes, sir.

Mr. SMITH of Kentucky. Well, now, why should not this bill be made to apply to sugar imported from all countries? If the beet-sugar industry will not be hurt by this kind of a reduction, then why should not we reduce all along the line?

Mr. LONG. I am just coming to that proposition. You admit 750,000 tons of sugar at a reduction, and keep the present duty on 925,000 tons imported from other countries, and you do not affect the price of sugar in this market.

Mr. SMITH of Kentucky. No; but as I understood the gentleman, he made the statement that under 69 per cent protection, without regard to what the rate might be on sugar from other countries—that under a 69 per cent protection the beet-sugar industry could live and thrive.

Mr. LONG. Sixty-nine per cent on sugar from Cuba.

Mr. SMITH of Kentucky. But the gentleman did not limit it in his remarks to Cuba.

Mr. LONG. I certainly did, and called attention to it. I have not been arguing for a reduction of 20 per cent in the duties on sugar from other countries than Cuba.

Mr. SMITH of Kentucky. No; but your argument was directed to the proposition that by taking off this much tariff on sugar, the beet-sugar industry could still thrive.

Mr. LONG. Not on all sugar, but on sugar from Cuba.

Mr. SMITH of Kentucky. That may have been the gentleman's purpose, but I did not so understand his remarks.

Mr. GROW. That is what the gentleman from Kansas [Mr. LONG] said in his speech.

Mr. LONG. The hearings contain many statements made by beet-sugar witnesses that the price of refined sugar in this country would not be affected by a reduction on Cuban sugar of 20, 25, or even 50 per cent; and some of them went so far as to say that free sugar from Cuba would not affect the price of sugar in this country if the present duty was retained on sugar from other countries.

The gentleman from Nevada [Mr. NEWLANDS], a member of the Committee on Ways and Means, who is opposed to this bill, made the following statement in his speech in this House in opposition to this bill on April 8, 1902:

Now, admit Cuban sugar free, or admit it with a reduced duty, and what is the result? Will the price of our domestic sugar be reduced? Not at all, for the price of our domestic sugar to-day is the world's price of sugar plus our duty, plus the freight to this country, and that will be the case until the United States produces its entire consumption. As long as 100,000 tons are imported from abroad and this duty lasts the domestic price of sugar in this country will be the world's price plus the duty, which means that in America to-day the American people pay double the world's price for their sugar.

Now, suppose we let in Cuban sugar free or with a reduced duty. It means that only one-third of the two-thirds of foreign production comes in with a reduced duty. We still import 750,000 or 800,000 tons, and the price of that will be the world's price plus the duty, so that the domestic price to consumers will be maintained at the same rate.

Mr. COOPER of Texas. The gentleman then admits that the consumer would not get any advantage by this reduction?

Mr. LONG. Reduction on sugar from Cuba?

Mr. COOPER of Texas. From Cuba—that the consumers in America would not be the beneficiaries; that the sugar eaters would pay the same price after this bill becomes a law as they pay now?

Mr. LONG. I have been endeavoring for over an hour to make that point clear. I am sorry that I have failed as completely to enlighten the gentleman on this point as I did in making clear the differential in the Walker tariff.

Mr. COOPER of Texas. It may be clear if you will answer the question.

Mr. LONG. For the benefit of the gentleman I will say that this reduction in duties on Cuban products is for the benefit of the Cubans and not for the benefit of the consumers of this country. If the price of sugar went down 20 per cent as a result of the reduction, the Cubans would not be benefited. They would get that much less for their product.

Mr. COOPER of Texas. Then, let me ask you the further question: Then this is a gratuity of \$8,000,000 to the Cuban people; a gift to Cuba of \$8,000,000 by the people of the United States?

Mr. LONG. It is a concession to Cuba on our tariff rates.

Mr. COOPER of Texas. It is a gratuity, a gift, a concession; it does not make any difference what the language is in which you express the idea. If you are going to make this concession, why do you not take it out of all the industries of all the people of America instead of taking it from a few agricultural industries?

Mr. LONG. It is not a gratuity; it is not a gift. There were some in the Republican conference who wanted to make it a gift. They wanted to give a bounty to be paid out of the Treasury of the United States to the government of Cuba for distribution among the people of that island. My friend from Pennsylvania [Mr. DALZELL] demolished this scheme so completely that up to date it has not been referred to in this debate. We are to make concessions on Cuban products, and under the reciprocity agreement they are to make concessions on our products.

Mr. COOPER of Texas. A reciprocity that does not reciprocate.

Mr. LONG. We will obtain concessions on the meat products of Texas. Your district and your State, on their meat and other products which they will sell to Cuba, will probably get more benefit than any other part of the country, unless it be Minnesota, on her flour products. [Applause.]

Mr. COOPER of Texas. In reply to that, allow me to say that all the flour they use there now goes from the United States under the present tariff and present tax.

Mr. LONG. The gentleman should understand that the Cubans did not make their present tariff. It was made by our War Department. We have reduced the duty on flour almost 400 per cent, on bacon 200 per cent, lard almost the same, while the reduction on corn and machinery has been even greater. In other words, while doing nothing for Cuban products we have manipulated the Cuban tariff for our own advantage, and out of the five articles mentioned, four are agricultural products. We made these reductions to benefit the products of Texas and other States in the Union. This is a military tariff, made by us. We have no assurance that the people of Cuba after they get control of their government will still leave these great concessions on our products if we refuse to make the concession of 20 per cent on Cuban products coming into this country.

Mr. COOPER of Texas. Then, it is my understanding that the gentleman is legislating here for Cuba.

Mr. LONG. I am glad that the gentleman from Texas has at last understood me. We are legislating for Cuba—

Mr. COOPER of Texas (continuing). And not your people.

Mr. LONG. We are also legislating for our people. A reciprocity agreement is advantageous to both countries, or it is not a good agreement; and I shall show later on that it has advantages at our end of the line.

Mr. COOPER of Texas. Did you not say just a moment ago that this was a concession of \$8,000,000 to Cuba from the people of this country? The consumers of sugar in this country will not get the benefit of it. If it is reciprocity, then it is a reciprocity that benefits the Cubans, and will not benefit your own people.

Mr. LONG. Can not the gentleman understand?

Mr. DALZELL. I do not think he can.

Mr. LONG (to Mr. DALZELL). You do not believe he can? Probably he can not, but I will try it on him again. [Laughter.] Can not the gentleman understand that while Cuba will get the benefit of the concessions that we make on her sugar and other products coming into this country, that we will get benefits when the meat products of Texas and the flour products of Minnesota and Kansas enter Cuba at a reduction of duties?

Mr. COOPER of Texas. They go there now; and it is very evident that the teacher is not able to instruct his pupil.

Mr. LONG. They go there now under the military tariff we have made.

Mr. COOPER of Texas. Of course it is your tariff.

Mr. LONG. It is a military tariff made by the War Department, and may be changed at any time after the Cubans obtain control of their government.

A number of witnesses stated before the Committee on Ways and Means that a reduction of from 25 to 50 per cent on Cuban

sugar would not affect the price of refined sugar in the United States. I refer to a few of such statements. Robert Oxnard, representing the beet-sugar interests (Hearings, p. 313), said:

The only active competition that the refining interest has is the beet-sugar production. Therefore I claim that the price of refined sugar in the United States will not be lowered by the admission of Cuban sugar free or by a reduction of duty, except in so far as it suits the refining industry at certain periods of the year and in certain localities to put down the price in order to make it unprofitable for its competitors.

Henry T. Oxnard, president of the American Beet Sugar Association, on page 184, in answer to the questions of Mr. McCLELLAN, said:

Mr. McCLELLAN. If the duty on raw sugar is reduced between Cuba and the United States, what will be the effect upon the price of refined sugar?

Mr. OXNARD. Will you state what reduction?

Mr. McCLELLAN. We will state first, free raw sugar.

Mr. OXNARD. It will be imperceptible.

Mr. McCLELLAN. Then how will you be injured by the price of refined sugar remaining the same?

Mr. OXNARD. I will tell you how. Because capital would go into Cuba, and the Cuban industry would be artificially stimulated up to a point of producing what the United States would use, and filling the markets and driving us out as long as she was not annexed and could work under either semi-cool or slave-labor conditions, and we had to pay a high price for labor. It is a fact that the whole cane-sugar industry of the world never thrives very well except with semislave labor. The history of it has been so, unless they worked under some sort of semislave cool-labor conditions.

Mr. McCLELLAN. Then a reduction of less than that would affect the price still less?

Mr. OXNARD. I said I did not think it would affect it hardly any to the consumer; I do not believe it would.

Mr. McCLELLAN. Say there was a reduction of 50 per cent, would that practically have any effect?

Mr. OXNARD. Not to the consumer, in my opinion.

Mr. METCALF. Who will get the benefit, in your opinion?

Mr. OXNARD. In my opinion the sugar trust and the merchants who control these factories in Cuba who lend their money to do the work.

Mr. METCALF. We allowed Hawaiian sugar to come in free in 1876, did we not?

Mr. OXNARD. Yes, sir.

Mr. METCALF. Did that result in a reduction of the price to the consumer?

Mr. OXNARD. No.

Mr. METCALF. Who received the benefit?

Mr. OXNARD. The refiners and the Hawaiian planters, but exactly in what proportion they got it I do not know; but the consumer got absolutely no benefit of the reduction of raw sugar from the Hawaiian Islands.

Mr. Leavitt, on page 253, in answer to the question as to what would be the effect of a 25 per cent reduction on Cuban sugar, said:

Mr. LEAVITT. It would be to give no benefit to the community at large in the price of sugar; but it would enable the sugar trust, by maintaining the present price of refined sugar in markets in which our beet sugar does not come in competition with them, to so increase their profits that they could use that increased profit to further extend their operations of last summer, of selling sugar at  $\frac{3}{4}$  cents per pound on the Missouri River, or half a cent below the cost of raw sugar in New York.

James D. Hill, on page 275 of the hearings, said that a reduction of 50 per cent on Cuban sugar would affect the price of raw sugar in this country, but when asked whether it would affect the price of refined sugar, said:

Mr. HILL. Not according to my theory, as that price is fixed by the cost in Hamburg, plus insurance, tariff, and the like, delivered in New York.

#### DR. H. W. WILEY'S TESTIMONY.

Dr. H. W. Wiley, in his testimony before the committee, on page 504 of the hearings, said in regard to the production of beet sugar:

The important question now arises, "May not the price of production be diminished to meet the fall in prices which Cuban free sugar would produce?" I myself have long been a believer in lower and yet remunerative prices for sugar, and have stated that the amount of sugar produced in Porto Rico, the Philippines, and Cuba in 1899-1900 could be introduced duty free without danger to our own industry. These prices would be the result of better agriculture, improvement in the sugar content of the raw materials, improved technique in the factories, resulting in economy of fuel, saving of labor, and more profitable utilization of by-products. As a prophet, I have looked forward to the time when the cost of making refined sugar would not be quite 3 cents a pound in this country, and when, with fair profits to farmers, makers, and factory, it would go on the consumer's table at less than 4 cents a pound.

The Doctor refers here to his statement before the Industrial Commission on May 14, 1900. On page 654 of volume 10 of the report of the Industrial Commission, he said:

Mr. CONGER. How about the Philippine Islands as a place for the sugar industry?

Dr. WILEY. I know less about them than Cuba.

Mr. CONGER. Is it your idea that those engaged in this beet-sugar industry need have no fear of the effect of their being included?

Dr. WILEY. Absolutely none. When the Spanish war commenced and my friends commenced to write to me these despairing letters that we were going to be ruined by free sugar, I never for a moment had any fear. If we to-day were to admit absolutely free from duty every pound of sugar made in Porto Rico and Cuba and the Philippines, it would not affect the progress of our sugar-beet industry in this country. We still have to have this deficit in sugar supplied from some place, and the best place to get it is here, right in our own country.

Mr. CONGER. If this cane sugar from Cuba would be admitted free, would not the price of sugar be less here, necessitating the factories running at a less profit and possibly at a loss?

Dr. WILEY. Suppose we admit free of duty this sugar. We would still have to import sugar, and the duties on sugar would probably remain the same as they are. That would tend to fix the price of sugar. By the way, it is not an unmixed evil to have a low price on an agricultural crop. It has a good many good points. In the first place, it increases consumption and the demand for the article, and that tends to restore the price. In the second place, it teaches economy in the manufacture which otherwise would never have been taught. Louisiana people, if you had told them two or three years

ago that they would have to sell their sugar at  $2\frac{1}{2}$  cents a pound, they would have held up their hands in horror; but they are doing it and making money.

To show that Dr. Wiley still holds the same views, I refer to his testimony before the Committee on Ways and Means, at page 513 of the hearings:

Mr. NEWLANDS. Another question. Doctor: Which would you prefer with reference to the general interests of America—a reduction of 50 per cent in this duty on Cuban sugar or the annexation of the island as a part of the United States? Which, in your judgment, would be the most injurious?

Dr. WILEY. You know I am an expansionist. Personally, I believe in getting everything we can get hold of.

Mr. NEWLANDS. And if you are an expansionist, you believe in getting a good and a rich country, do you not?

Dr. WILEY. I certainly do.

Mr. NEWLANDS. And you regard Cuba as one of the best and richest countries in the world, do you not?

Dr. WILEY. Yes; and I am against the views of my sugar friends, in that I am in favor of annexing Cuba for the good of all concerned.

#### SPECIAL AGENT SAYLOR'S TESTIMONY.

Special Agent C. F. Saylor, the beet-sugar expert of the Department of Agriculture, believes that beet sugar can be produced at a profit, even though refined sugar is much lower than it is to-day. He says (Hearings, p. 532):

The beet-sugar industry can only be successfully introduced in this country, and factories will only go in and make the attempt, when the opportunity is offered them to work out and solve the problems they have to encounter. To-day they are producing sugar at something like 4 cents and over per pound.

I offer it to you as my best knowledge and belief that the time is coming when they can cut down that cost of production one-half, as Germany cut down her cost of production one-half. (See p. 575, Hearings.)

If the reduction on Cuban sugar will not lower the price of refined sugar in this country, and even if it does, if Dr. Wiley and Mr. Saylor are correct, then the beet industry of this country need have no fear from a concession on Cuban sugar. Mr. Saylor, in his testimony before the Industrial Commission on May 16, 1900, page 587, volume 10, made this statement:

We are able to produce in this country at the present time beet sugar under the best conditions for about 3 cents per pound, the cost ranging from 3 to possibly  $3\frac{1}{2}$  cents per pound. In Porto Rico it was my privilege to make an investigation of the cost of producing sugar in that country, and after making a careful analysis of the cost, through a great many factories, I found that they could produce sugar at actual cost to themselves and place it on our markets for about  $\frac{1}{2}$  cent per ton—short ton. This does not figure in our tariff, which is  $\$1.68$  per hundredweight.

Mr. CONGER. Two cents a pound?

Mr. SAYLOR. Yes; 2 cents a pound.

Mr. CONGER. Refined or raw?

Mr. SAYLOR. Raw.

Mr. CONGER. What is it worth to refine sugar?

Mr. SAYLOR. It is worth about 65 per cent on the west coast and about 55 on the Atlantic.

Mr. CONGER. That gives the cost of raising a pound of sugar in Porto Rico and placing it on the market here refined as something over  $2\frac{1}{2}$  cents, according to your opinion?

Mr. SAYLOR. Yes; that is, actual cost to themselves, figuring no profit to anybody anywhere. While I made investigations along this line in Cuba, I had not the facilities or time for giving it as close an analytical study as I had in Porto Rico, but the conclusions I came to were that it would cost very nearly the same in Cuba. I have recently been making investigations along the same lines in the islands of Hawaii. There are factories there that can produce sugar a great deal cheaper than that, but the cost of producing sugar in the islands of Hawaii and shipping it to this country is about  $\$40$  a ton on the average.

On page 588, same report, Mr. Saylor expressed an opinion in regard to the effect upon the beet-sugar industry in this country, saying:

Mr. CONGER. Your idea is, then, that those who engage in the production of beet sugar in this country have little reason to fear this competition from the islands?

Mr. SAYLOR. Yes. Is that the idea you get from my talk?

Mr. CONGER. We get the idea from your talk that, in spite of our having acquired this territory, it is still a safe business to engage in here.

Mr. SAYLOR. Yes; perfectly safe.

Mr. CONGER. In your opinion, then, the future of beet sugar in the United States is not menaced by this acquisition of territory?

Mr. SAYLOR. I do not think so. I do not think island competition is going to be extensively started at once, and I think every year we are in it that our people will reduce the cost of production, and that the islands will be increasing in the cost of production, referring to the Hawaiian Islands and Porto Rico and Cuba.

If no material reduction in the price of sugar is caused by the concessions on Cuban sugars, what injury can come to the beet-sugar interests of the United States?

#### WILL SUGAR TRUST RECEIVE BENEFIT OF CONCESSION?

Another important question to determine is whether concessions made on Cuban sugar will help the Cuban planters or whether it will inure to the benefit of the sugar trust. The claim was made in the hearings before the Committee on Ways and Means that any concession made on sugar would not benefit the Cuban sugar planter, but would inure to the benefit of the sugar trust. The benefit will surely accrue to the person owning the sugar at the time the concession is made.

The gentleman from Texas [Mr. COOPER] seems to admit that this concession will go to Cuba and to the Cuban planters. There is where we want it to go. But there have been some gentlemen on this floor who claimed that the concession would not go where we want it to go, but would go to the sugar trust, and so would not benefit the Cuban sugar planter.



Mr. COOPER of Texas. Then may I ask the gentleman a question there? Is it not the consumer that pays the tax? If your measure goes through, will it not be the sugar trust who will purchase it and acquire it and pay the tax and collect this tax out of the American consumer?

Mr. LONG. The gentleman himself is one of the consumers. Mr. COOPER of Texas. But the sugar that comes here is acquired by the sugar refiners, is it not? They are the consumers, are they not? The consumer pays the tax. They are the consumers who purchase that sugar, which they refine, and pay the tax.

Mr. LONG. The gentleman himself is one of the 80,000,000 consumers of sugar in this country.

There is only one price for sugar in New York, whether it comes from Cuba, Hawaii, Porto Rico, or Hamburg. The Hawaiian planter gets this price upon the payment of freight and insurance from Honolulu. The Louisiana planter gets this price upon the payment of insurance and freight charges from New Orleans. The Porto Rican planter gets this price upon the payment of insurance and freight charges from San Juan. The owner of sugar in Hamburg gets this price by paying freight and insurance from Hamburg, and in addition the duty and the countervailing duty. The Cuban planter gets this price by paying the freight and insurance charges from Havana, and in addition the duty. This duty on 96° raw sugar is \$1.685 on each hundredweight. The Cuban planter must pay this much in addition to the Porto Rican planter to land his sugar in New York, which is practically the only market for sugar from Porto Rico and Cuba.

When Congress two years ago granted a concession of 85 per cent on Porto Rican sugar the price of sugar in San Juan instantly rose that much, and the Porto Rican sugar owner got the benefit of that reduction. If the reduction of 20 per cent on Cuban sugars is made the Cuban planter will have to pay \$1.348 per hundredweight, in addition to freight and insurance, in order to deliver his sugar in New York, instead of \$1.685 per hundredweight, as he does now.

Now, while there have been a good many assertions on this floor that the sugar trust will get the benefit of the concession, there has been only one gentleman who has attempted to prove this assertion by figures. The gentleman from Minnesota [Mr. MORRIS] is the only one who has attempted to show by a mathematical demonstration that this concession goes to the sugar trust. He said he had demonstrated it "with the exactness of a theorem in Euclid."

#### CUBAN AND PORTO RICAN PRICES COMPARED.

Prior to May 1, 1900, Porto Rico paid full duty on her sugar; from May 1, 1900, to July 25, 1901, 15 per cent of Dingley rates; since July 25, 1901, her sugar has been duty free. Who got the benefit of these reductions, the Porto Ricans or the sugar trust?

In the Republican conference the gentleman from Minnesota [Mr. MORRIS] used the following table, taken from official statistics, showing the average prices received by Cubans and Porto Ricans for their respective sugars per 100 pounds at port of shipment for the eleven fiscal years ending June 30, 1901:

Year.	Porto Rico.	Cuba.	Difference.	
			Porto Rico.	Cuba.
1891.....	\$3.00	\$3.10	.....	\$0.10
1892.....	2.90	3.10	.....	.20
1893.....	3.20	3.30	.....	.10
1894.....	3.20	3.00	\$0.20	.....
1895.....	1.80	2.20	.....	.40
1896.....	2.10	2.20	.....	.10
1897.....	1.80	2.10	.....	.30
1898.....	1.90	2.20	.....	.30
1899.....	2.30	2.50	.....	.20
1900.....	3.40	2.60	.80	.....
1901.....	3.40	2.40	1.00	.....

The above table shows that the average price of sugar in Porto Rico in 1901 was \$3.40 and the average price in Cuba was \$2.40. The difference in duty between Porto Rico and Cuba at that time was \$1.43, and as the difference in price was only \$1 instead of \$1.43, the gentleman from Minnesota argued that the sugar trust had absorbed the other 43 cents per 100 pounds.

I answered that argument in the Republican conference by showing its fallacy, and the erroneous conclusion reached by it is due to the mistaken premises upon which it is based. It is based upon the hypothesis that Cuban and Porto Rican sugars are of the same grade and that they test 96° on the average. Porto Rican sugars, taken crop for crop, are inferior in quality to Cuban sugars, pound for pound. This is shown by the table just quoted. Up to and including the year 1899 Cuba and Porto Rico paid the same duties and sold their crops on our markets under the same conditions. Yet it will be seen that in eight out of the nine years Cuban sugars sold for from 10 to 40 cents per hundred more than the Porto Rican.

#### WHY PORTO RICO RECEIVES LESS FOR SUGAR.

The Annual Report of Commerce and Navigation for 1901, issued by the Treasury Department, gives a detailed statement of all sugars imported into the United States from Porto Rico during the 15 per cent of regular tariff period, from May 1, 1900, to July 25, 1901. This statement shows that an unusually large proportion of Porto Rican sugars are of low grades. The dividing line between centrifugal and muscovado sugars is 91°. These tables show that 43.2 per cent of all Porto Rican sugars tested 91° or less, and that only 56.8 per cent of them tested above 91°. I regret that no similar statement in reference to Cuban sugars alone is obtainable. But this same report gives a similar statement for all duty-paying cane sugars imported into the United States for the fiscal year 1901. Cuban sugars are included in these tables and constitute 39 per cent of them. Of these sugars, only 22 per cent tested 91° or less, while 78 per cent of them tested above that grade.

Assuming that the Cuban sugars were up to the average of those in the table in which they were included, we have the following results: Taking 91° as the dividing point between centrifugal and muscovado sugars, 43.2 per cent of the Porto Rican and 22 per cent of the Cuban fall below the line; 56.8 per cent of the Porto Rican and 78 per cent of the Cuban go above it. The appraiser of the New York custom-house kept a record of the tests of all sugars arriving at that port during January, 1902. The average for Porto Rico was 91°; for Cuba, 93.67°. So, apply what test you may, the fact remains that Porto Rican sugar is, and for years has been, marketed in a less advanced state of manufacture than Cuban sugar. Consequently, it sells for a less price per pound.

Refiners pay for the saccharine in the different grades of sugar, taking into consideration the cost of refining each grade. Centrifugal sugars are bought and sold on the basis of their testing 96°, muscovado and molasses sugars on the basis of 89°, or that they are 96 per cent and 89 per cent pure saccharine. Muscovado sugars sell regularly for 50 cents per hundred less than centrifugals, while molasses sugars sell for 25 cents a hundred less than muscovadoes. Hence the prices of sugar from different countries, or even from the same country, will vary greatly per pound, according to the stage of manufacture or the kind of sugars marketed. The June, 1901, Summary of the Commerce of Cuba, issued by the Division of Insular Affairs, War Department, on the sugar industry of the island, states:

The lack of uniformity in prices for the same month, as shown in the following tables, is due to the difference in the quality of the sugars. Some ingenios produce a better—that is, a more refined—sugar than other ingenios, and this difference in grade determines the price.

This in large part explains the gross irregularities in the prices obtained for sugar exported to countries other than the United States. For example, the sugar which Havana exported to Spain was the American refined article reshopped. Other shipments, some of them bringing less than 2 cents per pound, were mixtures of sugar and syrup, the third-class article, and were bought by ships' masters for consumption on board their vessels.

#### PORTO RICO RECEIVED FULL BENEFIT OF TARIFF REDUCTIONS.

The daily sales of sugar in New York are a matter of record, just as are sales of hogs or cattle in Kansas City. I had recourse to these records of sugar sales. I sought and obtained from nine different commission merchants of New York and Boston account sales of 11 different lots of Porto Rican sugars and 12 of Cuban sugars. No one firm knew what had been requested of any other firm. So far as possible sales of Cuban and Porto Rican sugars to the same refinery, but by different commission merchants, were selected, sales made on the same day or on the same market prices. In no instance was the same firm asked for account sales of both Cuban and Porto Rican sugars. These sales cover the three duty periods in Porto Rico. They show that in each instance both the Porto Rican and the Cuban obtained the regular market price for the quality of sugar he had on the market. They show that the Porto Rican received every penny of the benefit derived from the reductions in his tariff. They also explain how and why the Cuban received 20 cents a hundred more than the Porto Rican did for his sugar in 1899, and how these conditions were reversed in 1901 until the Porto Rican received \$1 a hundred more than the Cuban.

#### SPECIFIC ACCOUNT SALES ANALYZED.

I first call attention to two sales made in March, 1899, one Cuban and one Porto Rican, while both islands were paying full duty.

No. 1. Sale of Porto Rican sugar, March 31, 1899.—This was 500 bags of centrifugal sugar shipped by Messrs. Ramon Cortada & Co. from St. Johns, Porto Rico, by the *Arcadia*, to A. S. Lascelles & Co., New York commission merchants, for sale: Date of sale, March 31, 1899; class of sugar, centrifugals; market price that day, \$4.375 to \$4.4375 for 96°; basis of this sale, duty paid, \$4.4375 for 96°; net weight of sugar, 136,812 pounds; actual test of sugar, 95.70°, or .30° below standard; sold to American Sugar Refining Company.

#### Proceeds of sale.

136,812 pounds, at \$4.4375 per 100 pounds.....	\$6,971.03
Deduction for .30°, at $\frac{1}{4}$ cent per 1°.....	41.03

Gross proceeds of sugar..... \$6,930.00

## Charges.

Freight, at 14 cents per 100 pounds	\$191.00
Duty	2,517.98
Marine insurance	18.10
Custom-house entry and stamps	8.50
Lighterage	50.00
Wharfage	20.00
Sewing and mending	5.00
Weighing and taring	16.31
Fire insurance	7.50
Commission and brokerage	75.38

Total charges.....\$2,704.77

Net proceeds of sugar.....3,325.23

No. 2. *Sale of Cuban sugar, March 25, 1899.*—This was 1,230 sacks of centrifugal sugar shipped by Messrs. J. Regney & Co. from Manzanillo, Cuba, by the *Seneca* to Hugh Kelly, a New York commission merchant, for sale. This was a "cost-and-freight" sale, one in which the buyer pays the duty, insurance, and custom-house charges, the seller paying the freight and all other charges. Date of sale, March 25, 1899; class of sugar, centrifugals; market price that day, \$4.375 for 96° duty paid; basis of this sale, cost and freight, \$2.6875 for 96°; rate of duty on 96°, \$1.685; cost-and-freight price, plus duty, \$4.3725; margin for insurance and custom-house charges, \$0.0025; net weight of sugar, 336,592 pounds; actual test of sugar, 96.80°—0.80° above standard; sold to B. H. Howell, Son & Co.

## Proceeds of sale.

336,592 pounds, at \$2.6875 per 100 pounds	\$9,047.39
Allowance for .80° at $\frac{1}{2}$ cent per 1°	84.10

Gross proceeds of sugar.....\$9,135.49

## Charges.

Freight at 12 cents per 100 pounds	403.91
Additional marine insurance	16.10
Sewing and mending	12.30
Weighing and taring	50.99
Testing and petties	3.50
Commission and brokerage	250.95

Total charges.....737.66

Net proceeds of sugar.....8,397.83

In these sales the Cuban sugar netted its owner \$2.492 per 100 pounds; the Porto Rican, its owner \$2.43 only. Yet, the Porto Rican sold March 31 on a market (\$4.4375) which was \$0.0625 higher than the market (\$4.375) on which the Cuban sold March 25. Each received the full market price for his sugar, yet the Cuban sold for \$0.1245 more, on the same basis, than the Porto Rican because of its better quality.

## EFFECT OF PORTO RICAN TARIFF REDUCTION SHOWN.

The next sales to the details of which I call attention were made in October, 1900, when Porto Rico paid only 15 per cent of the duty which Cuba paid.

No. 3. *Sale of Porto Rican sugar, October 15, 1900.*—This was a duty-paid sale of 266 bags of centrifugal and 277 bags of molasses sugars shipped by Geo. I. Finlay from San Juan, Porto Rico, by the *Ponce* to L. W. & P. Armstrong, New York commission merchants. The sale was to B. H. Howell, Son & Co. Date of sale, October 15, 1900; class of sugar, 266 bags centrifugals, 277 bags molasses; market price that day, \$4.75 for 96° centrifugals, \$4 for 89° molasses; basis of this sale, \$4.75 for 96° centrifugals, \$4 for 89° molasses; net weights of sugar, 65,634 pounds centrifugals; test of the lot, 95.15°; selling price on basis \$4.75 for 96°, \$4.44375; net weight of one lot molasses sugar, 38,848 pounds; test of this lot, 88.60°; selling price on basis \$4 for 89°, \$3.96; net weight of one lot molasses sugar, 29,985 pounds; test of this lot, 86.30°; selling price on basis \$4 for 89°, \$3.73; sold to B. H. Howell, Son & Co.

## Proceeds of sale.

65,634 pounds, at \$4.44375 per 100 pounds	\$2,916.61
38,848 pounds, at \$3.96 per 100 pounds	1,538.38
29,985 pounds, at \$3.73 per 100 pounds	1,118.44

Gross proceeds of sugars.....\$5,573.43

## Charges.

Freight, at 16 cents per 100 pounds	\$215.03
Duty:	
65,433, at \$1.6142—15 per cent	\$158.43
38,961, at \$1.42337—15 per cent	83.18
29,938, at \$1.36825—15 per cent	61.57
Marine insurance	47.91
Custom-house charges, weighing, taring, testing, fire insurance, etc.	38.65
Lighterage	47.73
Wharfage	27.15
Commission and brokerage	69.66

Total charges.....749.31

Net proceeds of sugars.....4,824.12

No. 4. *Sale of Cuban sugar, October 16, 1900.*—This was a duty-paid sale of 4,000 bags of centrifugal and 231 bags of molasses sugars shipped by Messrs. Sanchez Hermanos from Gibara, Cuba,

by the *Caretyba*, to Mosle Brothers. New York commission merchants. The sale was made to B. H. Howell, Son & Co.: Date of sale, October 16, 1900; class of sugars, 4,000 bags centrifugals, 231 bags molasses; market prices that day, \$4.75 for 96° centrifugals, \$4 for 89° molasses; bases of this sale, \$4.75 for 96° centrifugals; \$4 for 89° molasses; net weight of sugar, 1,302,872 pounds centrifugals; test of this sugar, 96.35°; selling price on basis \$4.75 for 96°, \$5.021875; sweepings, centrifugals, 620 pounds; selling price, \$2.51; net weight on one lot molasses sugar, 82,567 pounds; test of this sugar, 83.60°; selling price on basis \$4 for 89°, \$3.45; sold to B. H. Howell, Son & Co.

## Proceeds of sale.

1,302,872 pounds, at \$5.021875 per 100 pounds	\$65,433.63
620 pounds, at \$2.51 per 100 pounds	15.56
82,567 pounds, at \$3.45 per 100 pounds	2,848.56

Gross proceeds of sugars.....\$68,297.75

## Charges.

Freight, at 11 cents per 100 pounds	\$1,510.84
Duty:	
1,200,686 pounds, at \$1.70485	\$22,012.64
534 pounds, at \$1.5695	
82,272 pounds, at \$1.24487	1,024.18
Marine insurance	23,006.82
Custom-house charges, weighing, taring, testing, fire insurance, etc.	342.55
Interest on charges	454.10
Commission and brokerage	42.52
	1,878.18

Total charges.....27,265.01

Net proceeds of sugars.....41,032.74

These sales netted the Cuban an average of \$2.96 for his sugars and the Porto Rican \$3.58 for his. The difference is only 62 cents a hundred. The Porto Rican's duty averaged \$0.2256 per hundred; the Cuban's, \$1.6757. The difference is \$1.4501. Yet it is very easy to see from the figures of these sales why the Porto Rican did not get \$1.45 a hundred more for his sugar than the Cuban, although he got every penny of the benefit in the reduction in the tariff. These were the regular prices. The records show that on the three business days of October 13, 15, and 16, 1900, there arrived on the New York market 133,737 bags, 29,622 baskets, and 114 barrels of sugars from Honolulu, Brazil, Java, Cuba, Porto Rico, Peru, Demerara, Germany, St. Croix, and Surinam which sold at these same prices at which these Cuban and Porto Rican sugars were sold: \$4.75 for 96° centrifugals and \$4 for 89° molasses.

But the Porto Rican centrifugals tested only 95.15°, while the Cuban tested 96.35°. So the selling price of neither was \$4.75, because of the variances from the standard. The Porto Rican price dropped to \$4.44375, while the Cuban went up to \$5.021875; yet each got the same amount of money for 100 pounds of the saccharine contained in his sugars. The difference in prices was due to the difference in the quality of the sugars and not to the sugar trust. It is also worthy of note that 94 per cent of the Cuban sugars were centrifugals above the standard, while only 48.8 per cent of the Porto Rican were centrifugals and those below the standard.

## ACCOUNT SALES WHEN PORTO RICAN SUGAR FREE.

The next sales to which special attention is called were made after Porto Rican sugar became free.

No. 5. *Sale of Porto Rican sugar, January 30, 1902.*—This was a duty-free sale of 1,499 bags of centrifugal sugar, shipped by Messrs. Morales & Co., from Ponce, Porto Rico, by the *H. Luckenback*, to Messrs. Czarnikow, McDougall & Co., New York commission merchants. The sale was made to Arbuckle Brothers. Date of sale, January 30, 1902; class of sugar, centrifugals; market price for that day, \$3.6875 for 96°; basis of this sale, \$3.6875 for 96°; net weight of sugar, 361,140 pounds; test of this sugar, 95.9726°; selling price, on basis of \$3.6875 for 96°, \$3.68476; sold to Arbuckle Brothers.

## Proceeds of sale.

361,140 pounds, at \$3.68476 per 100 pounds	\$13,307.14
---	-------------

## Charges.

Freight, at 14 cents per 100 pounds	\$505.60
Marine insurance	65.00
Repairing, tests, cables, etc.	3.00
Commission and brokerage	133.07
Interest on charges	.51

Total charges.....707.18

Net proceeds of sugar.....12,599.96

No. 6. *Sale of Cuban sugar, January 30, 1902.*—This was a duty paid sale of 1,500 bags of centrifugal sugar shipped by Messrs. Cacicado & Co., from Cienfuegos, Cuba, by the *Cienfuegos*, to Messrs. Lawrence Turnure & Co., New York commission merchants. The sale was made to Arbuckle Bros.: Date of sale, January 30, 1902; class of sugar, centrifugals; market price for that day, \$3.6875 for 96°; basis of this sale, \$3.6875 for 96°; net weight



of sugar, 496,658 pounds; test of this sugar, 95.70°; selling price on basis \$3.6875 for 96°, \$3.6575; sold to Arbuckle Bros.

*Proceeds of sale.*

496,658 pounds, at \$3.6575 per 100 pounds.....	\$18,314.27
<i>Charges.</i>	
Freight (8.95 cents per 100 pounds).....	\$422.31
Duty (\$1.67674 per 100 pounds).....	8,202.42
Marine insurance.....	68.51
Custom-house entry, bond, stamps, etc.....	1.25
Weighing and taring.....	66.79
Extra cost of discharging cargo.....	17.47
Polarization.....	1.00
Interest on charges.....	14.74
Commission and brokerage.....	227.06
Total charges.....	9,041.55
Net proceeds of sugar.....	9,123.72

**TOTAL REDUCTION OF TARIFF GOES TO PORTO RICO.**

These two lots of sugar are just about the same grade. They are both centrifugal, sold on the same day, at the same price, to the same refinery, but by different commission merchants. The tests are very nearly the same, the Porto Rican being 95.9726°; the Cuban, 95.70°. If the Porto Rican gets the benefit of the tariff reductions he ought to get the full amount of this tariff more for his sugar than the Cuban received. Let us see how they came out.

The Cuban had to pay \$1.67674 per 100 duty. If the sugars were just the same and the other charges the same, the Porto Rican ought to have received \$1.67674 per 100 pounds more for his sugar than the Cuban. But the sugars were not the same. This time the Porto Rican had the better sugar.

On the basis of \$3.6875 for 96° sugar, the Porto Rican got \$3.68476 for his sugar; the Cuban, only \$3.6575 for his, because it was not as good an article. Consequently—if the other charges were the same—the Porto Rican should have received the difference between \$3.68476 and \$3.6575, or \$0.02726, in addition to the duty more than the Cuban. Adding \$1.67674 and \$0.02726 gives \$1.704 per hundred as the amount the Porto Rican should have received more than the Cuban, if the other charges were the same. But these charges were not the same. It will be seen that the Porto Rican had to pay 14 cents per hundred freight, while the Cuban paid only 8.95 cents. The difference is \$0.0505 in favor of the Cuban. Deducting this \$0.0505 from \$1.704 gives \$1.6545 as the correct amount per hundred which the Porto Rican should have received more than the Cuban. As a matter of fact, he received \$1.6579 a hundred more than the Cuban, or nine-twentieths of 1 cent a hundred more than the difference in duty and freight. This Porto Rican sugar netted its owner \$3.4889 per hundred; the Cuban, \$1.831.

It will thus be seen by the above statements of prices received in New York, on actual transactions, that the Porto Rican sugar producer has received the full benefit of the reductions that have been made on sugar from that island. It makes no difference whom we thought would be benefited by these reductions, the fact remains that the benefit accrued to the Porto Rican sugar producer.

These six transactions illustrate the results of our war with Spain upon Cuba and Porto Rico. Cuba had been fighting valiantly for years to throw off the economic and political tyranny of Spain. Her cities had been sacked, her plantations laid waste, her mills and factories burned, her men killed, and her women and children subjected to the horrors of the reconcentrado camps. Porto Rico lay by her side. Her people were tranquil and as prosperous as they had been in recent years. They had never raised a hand or fired a gun to throw off the yoke of Spain.

We went to war with Spain to relieve Cuba. The world applauded the act. After we had sunk the Spanish navies in Manila Bay and off the southern coast of Cuba and decimated her armies on land, Spain sued for peace. The Teller resolution stayed our hand and we did not take Cuba. But we took Porto Rico. What are the results? Have we relieved Cuba? What have we done for Porto Rico? What have we done for Cuba? Sugar is the main dependence of each island. Before we intervened Cuba's sugar, because of its superior quality, netted its owner from 10 cents to 40 cents more per hundred than the Porto Rican. But we have given Porto Rico free trade. To-day the Porto Rican, who never fired a gun or shed a drop of blood to bring about the results, is getting from \$1.50 to \$1.65 more for his principal product than he did before the war, while Cuba, despite her heroism, her suffering and bloodshed, is getting less than before. Such is the irony of fate and the results of legislation by Congress.

**ANOTHER FALLACIOUS COMPARISON.**

It is not surprising that when the gentleman from Minnesota [Mr. MORRIS] came to argue this question in the House he abandoned his comparisons of Porto Rican and Cuban prices. However, he made the following comparisons of Porto Rican, Hawaiian, and Cuban sugar prices with prices of Hamburg sugar for the fiscal year 1901.

*Morris's comparisons.*  
[Record, p. 4155.]

PORTO RICO.		HAMBURG.	
Price at San Juan.....	\$3.40	Price at Hamburg.....	\$2.20
Freight to New York.....	.12	Freight to New York.....	.08
Duty.....	.23	Countervailing duty.....	.27
Greater value to refiner.....	.65	Duty.....	1.63
Total.....	3.80	Total.....	4.18
HAWAII.		HAMBURG.	
Price at Honolulu.....	3.90	Price at Hamburg.....	2.20
Freight to San Francisco.....	.15	Freight to New York.....	.08
		Countervailing duty.....	.27
		Duty.....	1.63
		Greater value to refiner.....	.25
Total.....	4.05	Total.....	4.43
CUBA.		HAMBURG.	
Price at Havana.....	2.40	Price at Hamburg.....	2.20
Freight to New York.....	.08	Freight to New York.....	.08
Duty.....	1.65	Countervailing duty.....	.27
		Duty.....	1.63
		Greater value to refiner.....	.15
Total.....	4.13	Total.....	4.33

He then said:

We see that the American buyer, the sugar trust, was paying to the Porto Rican 38 cents per 100 pounds less than he ought to have been paid on all the sugars brought from that island to New York during the fiscal year 1901, to the Hawaiian 38 cents less per 100 pounds on all the sugar brought from those islands to San Francisco during the fiscal year 1901, and to the Cuban 20 cents less per 100 pounds on all the sugar brought from that island to New York during the fiscal year 1901.

I am glad now to observe the presence of my genial friend from Minnesota [Mr. MORRIS]. I had noticed his absence. I want to ask him, with his permission, some questions. Why do you put the "greater value to the refiner" at 5 cents on the Porto Rican side of your table and at 25 cents on the Hamburg side in your Hawaiian table?

Mr. MORRIS. The Porto Rican sugar has a degree of 92½—2 degrees less than the Hamburg sugar, the Hamburg sugar being 94½. To compensate for that I have put it on that side of the equation. The Hawaiian sugar has a degree of 96 or more, being greater than the Hamburg or beet sugar, and the difference in value to the refiner therefore goes on the other side of the equation.

Mr. LONG. Why, in comparing the Cuban sugar with Hamburg, do you put "greater value to the refiner" on the Hamburg side?

Mr. MORRIS. Because the degree of the sugar coming from Cuba is 95, half a degree greater than sugar coming from Germany. Now, mark what the expert says in regard to that. Degree for degree, the cane sugar is worth 10 cents a hundred more than the beet sugar; that is, cane sugar at 94½ is worth 10 cents more than beet sugar of the same degree. Now, add for the other half degree and you get 15 cents. The Hawaiian sugar, instead of being 95 as is the Cuban sugar, is a little more than 96. The Treasury statistics give it as high as 96.7—nearly 97.

Mr. LONG. Very well; I am glad to get the gentleman's explanation. I can not agree with him exactly as to the countervailing duty and other items. He puts the countervailing duty at 27; it is really 26.

Mr. MORRIS. I took that from Mr. Leavitt's statement before the committee, which was uncontroverted.

Mr. LONG. Neither can I agree with the gentleman as to some of the details of his computation. I think they are wrong; but in the main, I take the gentleman's explanation of his table. Now, let us analyze it. It would have been better for the gentleman if he had stood on the proposition he made in the Republican conference and had used it in his speech to the House—the comparisons between Porto Rico and Cuba—rather than to have made comparisons with Hamburg prices.

Mr. MORRIS. In my speech in the conference I made comparisons on the Hamburg prices. There is where the gentleman misunderstood what I said. I told him so at the next conference. The testimony shows that the world's price of sugar is fixed in Hamburg; and my comparisons in the conference were made on the Hamburg prices.

Mr. LONG. You compared Cuba with Porto Rico.

Mr. MORRIS. Yes; and I made a mistake. I can make the comparison now. The difference between Porto Rico and Cuba is not as great as between Hamburg and Porto Rico, because in Porto Rico and Cuba the sugars are all cane sugars. The comparison by the price at Hamburg, which fixes the price, gives the differences.

**FATAL ERROR IN COMPARISONS.**

Mr. LONG. Let me analyze the gentleman's statement. His comparisons of prices cover the importation of sugar in the fiscal year 1901 from Hamburg, Porto Rico, Cuba, and Hawaii. The following table will show the imports, in tons, of raw beet sugars from all countries and of raw cane sugars from Hawaii, Porto Rico, and Cuba during the fiscal year 1901, by months, with New York average prices by months.

The prices are obtained by taking the average of the weekly prices found on page 3104 of the June, 1901, Summary of Commerce and Finance, issued by the Treasury Department. The imports of beet sugars and of the cane sugars from Porto Rico and Cuba are taken from the several Monthly Summaries of Commerce and Finance issued by the Treasury Department for the fiscal year 1901. No Government publication gives the monthly imports from Hawaii, as sugar from those islands was duty free. The Hawaiian figures are taken from Willett & Gray's Weekly Statistical Sugar Trade Journal of the issues of January 3, 1901, and January 2, 1902.

Month.	New York price.	Hamburg.	Hawaii.	Porto Rico.	Cuba.
1900.					
July	\$4.80	67,016	21,536	6,175	43,167
August	4.87	46,059	27,426	2,548	6,710
September	4.99	25,047	4,184	376	278
October	4.76	13,877	18,119	398	1,335
November	4.38	29,299	12,918	154	1,729
December	4.40	47,695	892	89	354
Total	4.70	228,993	85,075	9,740	53,573
1901.					
January	4.23	64,850	6,787	1,574	31,088
February	4.23	41,791	6,999	5,147	70,924
March	4.03	20,898	13,681	10,033	94,513
April	4.16	1	13,331	9,215	78,711
May	4.27	8,574	17,790	13,701	106,459
June	4.25	40,554	28,184	14,320	55,088
Total	4.21	176,668	86,782	53,993	436,783
Grand total		405,661	171,857	63,733	490,356

These figures will show the error into which the gentleman has fallen and that he overlooked some considerations in these comparisons that he ought to have noticed before he presented them to the House. Beet sugar from Europe comes in largely in the autumn, and sugar from Porto Rico and Cuba in the spring. I call the attention of the gentleman to the average monthly prices during the last fiscal year. In July, 1900, the average New York price was \$4.80 a hundred.

Mr. MORRIS. Where are the gentleman's prices taken from?  
Mr. LONG. The prices are taken from the Summary of Commerce and Finance for June, 1901, and the gentleman can find them on page 3104.

Mr. MORRIS. What prices are they?

Mr. LONG. New York prices.

Mr. MORRIS. My prices were all at the port of shipment, every one of them.

Mr. LONG. Your prices were at the port of shipment?

Mr. MORRIS. Yes.

Mr. LONG. Certainly; but these are the New York prices that the Hamburg, Porto Rican, Cuban, and Hawaiian sugars sold for in New York. The prices "at the port of shipment" which you take from Government statistics are obtained by subtracting from these New York prices the freight, insurance, and duty, if any.

What do these figures show? The following is a comparison between the first six months of the fiscal year and the last six months of it:

Average price.	Hamburg.	Hawaii.	Porto Rico.	Cuba.
	Tons.	Tons.	Tons.	Tons.
\$4.70, first six months	228,993	85,075	9,740	53,573
\$4.21, last six months	176,668	86,782	53,993	436,783

The first six months the average price was \$4.70, and 228,993 tons of beet sugar came in from Hamburg at that high price. There were 85,075 tons from Hawaii, only 9,740 tons from Porto Rico, and only 53,573 from Cuba.

The average price for the last six months was \$4.21 as against \$4.70 in the first six months. How about the importations? There were 176,668 tons from Hamburg as against 228,993 in the first six months; 86,782 from Hawaii as against 85,075; 53,993 from Porto Rico as against 9,740; 436,783 from Cuba as against 53,573.

Let me compare certain months. Take September, 1900, when the price was \$4.99, and March, 1901, when the price was \$4.03. The following are the figures:

Date.	Price.	Hamburg.	Hawaii.	Porto Rico.	Cuba.
		Tons.	Tons.	Tons.	Tons.
September, 1900	\$4.99	25,047	4,184	376	278
March, 1901	4.03	20,898	13,331	10,033	94,513

There were 25,047 tons from Hamburg, 376 tons from Porto Rico, and 278 tons from Cuba in September. In March, when

the price was so low, \$4.03, there were 20,898 tons from Hamburg, 10,033 tons from Porto Rico, and 94,513 tons from Cuba.

The Hamburg sugars came in when the average price was \$4.70 and the Cuban and Porto Rican sugars came in when the average price was \$4.21. The difference between \$4.70 and \$4.21 is 49 cents, and the gentleman only claims that there was a difference of 20 cents between Hamburg and Cuba and 38 cents between Hamburg and Porto Rico. These figures settle the questions between Cuba and Hamburg and Hamburg and Porto Rico.

#### MISTAKE IN HAWAIIAN FREIGHT RATES.

How about Hawaii and Hamburg? There is a difference of 38 cents. Now, we find that in the first six months of that year there were 85,075 tons came in from Hawaii, and in the second six months 86,782 tons. They had the advantage of both the high and low price, and we can not account for the difference in the Hamburg and Hawaiian prices on that proposition. But what did the gentleman do in his figures? He compared Hawaiian sugar at San Francisco with Hamburg sugar at New York, and he made a difference of 38 cents. What is the difference between the prices of sugar in San Francisco and in New York? It is the difference in the freight rates from Honolulu to the two points. He gives the freight at 15 cents. That is the freight from Honolulu to San Francisco. But is it fair to compare sugar in San Francisco with other sugar in New York? The difference in freight between Honolulu and New York and Honolulu and San Francisco is 37½ cents per hundred.

Mr. MORRIS. Will the gentleman allow an interruption there?  
Mr. LONG. Yes.

Mr. MORRIS. Might you not just as well make a comparison between the price of sugar from Hamburg sent to San Francisco as to make it from Honolulu sent to New York? The natural American port for the sugar from Hamburg is New York. The natural American port for sugar from Honolulu is San Francisco. If you are going to make a comparison of the price of sugar from Honolulu with the price of sugar from Hamburg, you had just as well add the freight from Hamburg across the continent to San Francisco for Hamburg sugar to meet Honolulu sugar as to add the freight across the continent the other way for Honolulu sugar to meet the Hamburg sugar. Does not the gentleman understand that?

Mr. LONG. Is it fair to compare Hamburg sugar in New York with Hawaiian sugar in San Francisco?

Mr. MORRIS. Surely.

Mr. LONG. Why not compare Hawaiian sugar in New York with beet sugar in the same place?

Mr. MORRIS. And why not compare beet or Hamburg sugar in San Francisco with cane sugar from Hawaii in the same place?

Mr. LONG. You can compare it there if you wish, but you did not do so in your comparisons. You compared Hamburg sugar in New York with Hawaiian sugar in San Francisco.

Mr. MORRIS. If I took the Hamburg sugar to San Francisco, then the item of freight instead of being 8 cents from Hamburg to New York, as I made it, would be 8 cents plus the 37½ cents across the continent.

Mr. LONG. If the gentleman wants to take Hamburg sugar out of New York, where he has it in his comparisons, and put it in San Francisco, all well and good. We will meet that when the gentleman does it. He must add to the freight to New York the difference in freight between Hamburg and San Francisco and Hamburg and New York.

Mr. MORRIS. That would make the difference of the freight across the continent.

Mr. LONG. New York is the market in the United States, and there is where the sugar should be brought in order to make a comparison. Hawaiian sugar is sold at the New York market price on the day previous to its arrival either in New York or San Francisco. On arrival at San Francisco—and I want the attention of gentlemen to this—the difference between the freight from Hawaii to New York and the freight from Hawaii to San Francisco is deducted from the New York market price. San Francisco is a limited market.

The freight from Hawaii to San Francisco is 15 cents a hundred pounds, as you give it, and the freight from Hawaii to New York is 52½ cents a hundred pounds. The difference is 37½ cents a hundred pounds. The New York price of 96° sugar yesterday was \$3.375. Should one cargo of Hawaiian sugar arrive in New York to-day and another in San Francisco, the one arriving at New York would sell for \$3.375 and the one arriving at San Francisco would sell for \$3 per hundred.

If you want to compare Hamburg sugar with Hawaiian sugar, you should add 37½ cents to the freight on the Hawaiian sugar in order to land it in New York City, where you have your Hamburg sugar. When you do this the difference between them will be one-half cent a hundred pounds. [Applause.]

Mr. MORRIS. Now let me ask the gentleman a question there. If you take your Hamburg sugar to San Francisco have you not to add the same freight?



Mr. LONG. Certainly. You must add the difference in freight. Mr. MORRIS. Which you say is 37½ cents.

Mr. LONG. You take it away from the market when you do that. Mr. MORRIS. Is not San Francisco the market for the Honolulu sugar?

Mr. LONG. Not for all of it. Only a small portion of it can be disposed of in San Francisco. There is but a limited market at San Francisco. The beet sugar produced in California almost fills up that market, and the surplus Hawaiian sugar must go to New York.

Mr. MORRIS. But you are figuring the freights across the continent. Now, if you compare the prices at New York for Hamburg sugar, then you want to compare the prices in San Francisco. Charge your freight one way the same as you do in the other.

Mr. LONG. I am not adding the freight across the continent. Mr. MORRIS. You do.

Mr. LONG. I am not. The difference between the San Francisco market price and the New York market price is not the difference in freight between San Francisco and New York, but it is the difference in freight between Honolulu and New York and Honolulu and San Francisco, which is 37½ cents a hundred pounds.

Mr. MORRIS. Certainly.

Mr. LONG (continuing). You have taken the Hawaiian sugar to San Francisco only, and you add 15 cents a hundred for freight. You should take the sugar to New York and add 52½ cents.

Mr. MORRIS. And I have only taken my Hamburg sugar to New York.

Mr. LONG. Certainly. And you must put both sugars in the same place to make a fair comparison—you must have them in the same market.

So much for the gentleman's figures. They are the most misleading, when analyzed, of any that I have seen since the Fifty-fourth Congress, when the gentleman's predecessor, Mr. Towne, stood in that aisle and for two hours and a half argued that the price of silver always controlled the price of wheat and other products. He made that argument amid applause on both sides of this Chamber.

But the gentleman himself knows that argument was fallacious, and the American people have declared at every election since that time that they did not believe it. The figures of the present gentleman from Minnesota [Mr. MORRIS] are just as unreliable on this sugar question as were the figures and the arguments of his predecessor on silver.

There is a great similarity between the sugar question and the silver question. There were a number of international conferences on silver. There have been more on sugar. There were four on silver. There have been twelve on sugar. The twelfth has just adjourned at Brussels. All these conferences have been upon the question of abolishing the bounties on sugar.

#### CUBANS HOLDING SUGAR HOPING FOR RELIEF.

If the sugar trust or any other corporation should purchase all the Cuban sugars before this law is enacted, then they would receive the benefit of the reduction this year. If the price of sugar in this country is lowered as a result of the concession on Cuban sugars, the Cuban planter is not benefited and this legislation would be in vain. On the other hand, if there is no fall in the price of sugar there is no question that the owner of the sugar at the time of the passage of the law will get the benefit of whatever concession is made.

The statement has been made that sugar has but one buyer in New York, and that is the American Sugar Refining Company, or popularly known as the "sugar trust." In the hearings before the Committee on Ways and Means it was developed that the different refineries belonging to the sugar trust have a capacity of 40,000 barrels daily, and that the ten independent refineries in the different parts of the country have a capacity of 20,000 barrels per day. The sugar trust refines about five-eighths of the sugar of this country, and the independent refineries, about three-eighths. These refineries are the purchasers of the raw sugar, and of course they buy it as cheap as possible; but it is not a fact that there is no competition in raw sugar, for the competition at times is very active and determined.

To show that the Cuban sugar producer thoroughly understands the situation and is endeavoring to hold his crop until this legislation becomes effective, note the fact that although this year's crop is much larger than that of last year, yet the amount of sugar from Cuba that has been placed upon the market is much less. Last year, from January 1 to April 1, 198,129 tons had been received in the United States. This year during the same period but 89,713 tons have come to the United States. Last year on April 1 there was a stock of 237,000 tons in Cuba. This year the stock amounts to 420,000 tons. It is evident that the Cuban crop is being held awaiting our action, and the important question is, To whom does it belong?

#### SITUATION INVESTIGATED BY GOVERNOR-GENERAL WOOD.

On March 25 the following cablegram was sent by General Wood, while he was in Washington, to Acting Governor-General Scott, in Havana:

It is important to know the exact facts about the ownership of this year's sugar crop. Present solution of Cuban reciprocity threatened by allegation that large amount already sold or contracted to be sold to the American Sugar Refining Company. Many Congressmen willing to allow concessions for next year, because they understand that American Sugar Refining Company will gain benefit by any concession covering this year's crop. Therefore, I wish you would find out definitely, as soon as possible, how much of present year's crop has been sold and delivered, how much has been contracted for but not yet delivered, how much is pledged as security for loans, and whether the American Sugar Refining Company or any American purchaser have options on the present crop, and if so, to what extent.

Also how much sugar of this year's crop has been exported from Cuba to date, especially to the United States. It is suggested that you get definite reports from the some 164 "centrals" that are now reported to be grinding, and also from reliable commission houses, and that this information be tabulated and furnished the War Department, and that you request all these different sources to immediately advise you thereafter of any change covering sales or contracts that may be made in the future, and that you tabulate this information from time to time and cable War Department accordingly.

WOOD.

To this cablegram the following reply has been received:

[Copy of cablegram received at War Department April 2, 1902, and the figures given in bags (320 pounds) reduced to tons (2,240 pounds).]

HABANA, April 2, 1902.

EDWARDS, War Department, Washington:

Telegrams sent to 194 sugar centrals, to which 126 answers have been received to date, also telegrams to 36 Cuban banking firms, to which 34 replies have been received.

Figures, according to replies received, as follows:

	Bags of 320 pounds.	Tons of 2,240 pounds.
Output for the year to March 25.....	4,089,814	584,259
Amount actually in hands of planters.....	1,522,325	217,561
Sold and delivered to island firms.....	1,364,395	194,913
Contracted for in island and not yet delivered.....	305,048	43,578
Pledged as security for loans in island, but not sold.....	1,646,585	235,222
Held at option of the American Sugar Refining Co.....	23,000	3,285
Held at option of other American purchasers.....	16,000	2,285
Exported to the United States.....	182,652	25,646

All sugar above mentioned, except that at the option of American Sugar Refining Company and other American purchasers, is in the hands of Cuban planters and Cuban and Spanish commission houses doing business in the island of Cuba and is not at the option of anyone. Where held as security for loans advanced to planters the planters will get the advantage of any rise in the price under conditions of deposit, as is the custom in the island. This statement shows conclusively the absolute falsity of the declarations that the sugar trusts have control of considerable portion of Cuban sugar crop. Other statements will be furnished as soon as possible.

WOOD, Military Governor.

On April 7, 1902, the following cablegram was received at the War Department:

HABANA, April 7, 1902.

EDWARDS, War Department, Washington:

Reference your telegram to-day, telegrams sent to 194 sugar centrals, as previously reported in my telegram 2d instant. Ten additional replies received since, which report as follows:

	Long tons.
Output for the year.....	24,755
Amount in hands of planters.....	13,260
Sold and delivered.....	11,311
Contracted for with island firms, but not delivered.....	3,019
Pledged as security for loans in island, but not sold.....	1,546

All sugar above mentioned is in hands of planters and Cuban and Spanish commission houses doing business in the island with exception of 2,398 long tons exported to United States. None at option of American Sugar Refining Company nor other American purchasers. Where held as security for loans planters will get advantage of rise in price as stated in telegram 2d instant. Two remaining banking firms replied: "Do not make loans on sugar." Above amounts should be added to my cable of April 2. No change in situation.

WOOD, Military Governor.

Adding the data of these two cablegrams, we have the following totals:

Answers from 136 centrals out of 194 in the island; and 36 banking firms out of 36:

	Tons.
Output for the year to March 25, 1902.....	699,014
Left in the hands of the planters.....	230,821
Sold and delivered to island firms.....	205,224
Contracted for in the island and not yet delivered.....	46,597
Pledged as security for loans in the island, but not yet sold.....	235,768
Held at the option of the American Sugar Refining Company.....	3,285
Held at the option of other American purchasers.....	2,285
Exported to the United States.....	28,014

#### LARGE SURPLUS SUGAR STOCKS CAUSE DEPRESSION.

It is well known that general distress and imminent bankruptcy exist in all cane-sugar-producing countries. This is due to the fact that cane sugar has been unable to compete with the bounty-fed beet sugar of Europe. It is hoped that the convention signed by the Brussels conference on March 5, 1902, will be more successful in the abolition of the bounty systems of Europe than those that have preceded it. If the purposes of this conference are attained, and all direct and indirect bounties are abolished, the sugar industry in cane-producing countries may be rescued from total destruction.

The convention does not go into effect until September 1, 1903,

and until that time there can be no possible change in the situation. There will still be a large stock of surplus sugar on hand on October 1, 1903. The following is an estimate made by Willet & Gray of the stocks of sugars in the principal countries from October 1, 1899, to October 1, 1903:

	Tons.
Stock in principal countries October 1, 1899.....	661,420
World's production, 1899-1900.....	8,455,951
Total supply, campaign 1899-1900.....	9,117,380
World's consumption, campaign 1899-1900.....	8,812,960
Stock October 1, 1900.....	304,420
World's production, 1900-1901.....	9,648,243
Total supply.....	9,952,663
World's consumption, campaign 1900-1901.....	9,230,308
Stock in principal countries October 1, 1901.....	722,355
Estimated world's production, 1901-2.....	10,762,756
Estimated total supply.....	11,485,111
Estimated consumption, campaign 1901-2.....	9,630,000
Estimated stock in principal countries October 1, 1902.....	1,855,111
Estimated world's production, 1902-3.....	10,184,631
Estimated total supply.....	12,039,742
Estimated consumption, campaign 1902-3.....	10,000,000
Estimated stock in principal countries October 1, 1903.....	2,009,742

It is estimated that there will be an average reduction of 10 or 15 per cent in European sowings; but the prices of beet roots have been reduced in Austria to \$3.05 a ton, in central Germany to \$3.90, and to \$3.42 in eastern Prussia. At these prices the manufacturers will be able to produce sugar cheaper than formerly.

#### HAMBURG CONTROLS WORLD'S SUGAR PRICES.

Hamburg controls the price of sugar throughout the world because Germany is the largest exporter of both raw and refined sugars. The New York duty-paid price of all sugars, whether they come from Java, Hawaii, Brazil, Cuba, Porto Rico, or Germany, can be ascertained accurately any day in the year by taking the Hamburg price as a basis. To this must be added the freight and other fixed charges, the regular duty and then the countervailing duty, which equals the bounty paid by Germany. The total of these figures will be the New York duty-paid price. Occasionally there are breaks in the market when for a few days the New York price will be below the Hamburg price, or the Hamburg price below the New York price, but the parity is soon restored.

The price for which sugar will sell in any other country for importation to the United States can be ascertained by taking the New York price thus established and deducting therefrom the freight from such country, the fixed charges, and the duty, if any. Thus all these prices are based upon and regulated by the Hamburg price.

#### BRUSSELS CONFERENCE AND BOUNTIES.

It is evident that the abolishment of direct bounties alone will not affect the New York price of sugar. Germany pays an export bounty of 26 cents per 100 pounds on raw sugar and 38 cents on refined; but under the Dingley law we levy and collect a countervailing duty of these same amounts upon them. April 1, 1902, raw sugar was selling for export at Hamburg for \$1.40 per hundred pounds.

The exporter received a bounty of 26 cents from the German Government on every hundred pounds he shipped to New York, but he had to pay this 26 cents into the United States Treasury as a countervailing duty, over and above the regular customs duty. The moment Germany ceases to pay this export bounty we will cease to collect the countervailing duty. If the exporter can still afford to sell his sugar at Hamburg for \$1.40 a hundred he can lay it down in New York, duty paid, for 26 cents a hundred less than he can now, because he has 26 cents a hundred less duty to pay. Or he can raise his Hamburg price 26 cents, from \$1.40 to \$1.66, and still sell his sugar in New York at the same price he does now, because he has that 26 cents less duty to pay. The New York refiner would get his sugar for the same old price and the Hamburg exporter would get the same amount of money for his goods. The difference would be that the German Government would not have to pay that 26 cents bounty and our Government would lose the 26 cents now collected as countervailing duty. The countervailing duties collected on bounty-fed sugars during the fiscal year 1901 amounted to \$2,147,956.09.

The agreement reached by the sugar conference was announced February 28, and the next day the Hamburg price of raw sugar fell 3 cents per hundred. Prices can not possibly advance materially until after the present surplus and the surplus from next year's campaign shall have been absorbed. Irrespective of what the final results of such a readjustment may be, it is certain that the effect for the next year or two will be a tendency toward low prices in sugars due to the pressure of the immense stocks of sugar throughout the world.

#### DUTIES, SURTAX AND CARTEL OF GERMANY.

Germany imposes customs duties amounting in the aggregate to \$4.328 per 100 pounds on foreign sugars. This duty is absolutely prohibitive. A tax of \$2.18 a hundred is imposed upon all sugar consumed within the Empire. The surtax which is to be reduced to a uniform figure by the countries interested is the difference between the import duty and the consumption tax. A reduction of this surtax would not affect the export price of sugar at Hamburg directly. Would it do so indirectly? If it does, it must be through the effect of this reduction of the surtax on the cartel. And what is the cartel?

The cartel of Germany is a comparatively new institution. It has been in operation since June 1, 1900, only; but it is fashioned closely after the cartel of Austria, which has been in very successful operation since 1890. Volume XVIII of the Report of the Industrial Commission, published as House Document No. 187 of the present Congress, is devoted to industrial combinations in Europe. It contains lucid explanations of the cartels of Austria and Germany.

The German Government controls the output of German sugar absolutely. The total amount of sugar to be produced each year as fixed. The percentage of refining to be allowed to each refiner is determined. The amount of raw sugar that each manufacturer may sell to refiners and export is specified. The Government exercises this supervision over the industry in order to regulate and limit the bounties that it may be called upon to pay. But, as a matter of fact, the production has regularly fallen short of the contingent fixed by the Government, except the last crop. The Government limitation for the sugar year ending September 30, 1900, was 1,889,319 tons of raw sugar. The production for that year was 1,791,250 tons, or 98,069 tons short of the contingent. Aside from these regulations the Government does not participate in the workings of the cartel.

#### MAGDEBURG AND HAMBURG PRICES.

It may be well to study the cartel from the results it produces. Magdeburg is the market for both refined and raw sugars for German consumption. Hamburg is the export market for both. German refiners pay Magdeburg prices for raw sugars. Foreign refiners pay Hamburg prices. German wholesale merchants can buy refined sugars at Magdeburg prices only. Exporters pay Hamburg prices for the same sugars. On April 1, 1902, the selling prices of raw sugar was \$1.70 per 100 pounds at Magdeburg, and \$1.40 at Hamburg. The selling prices of refined sugar were \$6.04 at Magdeburg and \$1.83 at Hamburg. This is the work of the cartel.

All the raw sugar produced in Germany last year was sold either at Magdeburg to the refiners or at Hamburg for export. All this sugar cost \$1.80 per 100 pounds to produce. The part of it disposed of at Magdeburg sold for \$1.70, or a loss of 10 cents per 100 pounds. The part of it sold at Hamburg for export brought \$1.40 per 100 pounds, or 40 cents below the cost of production. Yet the raw sugar manufacturers of Germany made \$6,702,428 on these sales. A combination that can take sugar that cost \$1.80 and sell part of it at one place for \$1.70 and the remainder for \$1.40 and still make \$6,702,428 out of the business—

Mr. OTEY. How did they do it?

Mr. LONG. I will explain, if the gentleman will have patience.

Mr. METCALF. That is simply the surplus raw sugar that is sold below cost?

Mr. LONG. Oh, no; it is all their raw sugar. That portion of it which was sold for export brought \$1.40 per 100 pounds. That was the exact export price on the 1st day of April. It ranged a little higher than that last year.

Mr. METCALF. But you limit it to the sugar sold for export?

Mr. LONG. This is the sugar sold for export. The rest of it was sold at Magdeburg for \$1.70, but all of it cost \$1.80.

#### REFINERS FURNISH THE CARTEL WITH FUNDS

The cartel is composed of two syndicates. Refiners of sugar comprise one; the manufacturers of raw sugar the other. Those concerns that manufacture refined sugar direct from the beet belong to each syndicate. These two syndicates have agreed upon \$2.78 a hundred as the normal inland price of raw sugar.

The refiners' syndicate guarantees this price to the manufacturers of raw sugar, unless it falls below \$2.04. The manufacturer of raw sugar is required to sell his product for the best price obtainable. If this price be \$2.78 or better, the refiners' syndicate pays him nothing. If it be less than \$2.78, the refiners pay him the difference between that price, whatever it may be, and \$2.78, with one limitation. The refiners do not "margin" the raw sugar below \$2.04. If it sells for \$2.40 the refiners pay the other 38 cents per hundred, so as to bring the price up to \$2.78. If it sells for \$2.04, they pay 74 cents per hundred. But this is the limit. No matter how much it falls below \$2.04 the payment out of the cartel is only 74 cents.

Where does the refiner get the funds with which to pay this



"cartel" to the manufacturers of raw sugar? Every month each member of the refiners' syndicate pays into the treasury of his syndicate the difference between the average Magdeburg price for raw sugar and \$2.78 during the past month, provided always that this difference is not greater than 74 cents. He pays this amount upon each 100 pounds of refined sugar he has produced for home consumption during said month. To this amount 10 per cent is added for the expenses of the cartel. The entire sum thus collected is known as the *kartellnutzen*, or "combination advantage." With raw sugar below \$2.04 at Magdeburg, as it is now, the refiner pays the full margin of 74 cents plus the 10 per cent, or 81.5 cents, on each 100 pounds of refined sugar produced by him for home consumption.

#### RAW SUGAR MANUFACTURERS' PROFITS AND LOSSES.

It costs \$1.80 a hundred to produce raw beet sugar in Germany, without profit, according to the International Sugar Journal for April, 1900. During the last sugar year the manufacturers of raw sugar sold a total of 1,375,000 tons of raw sugar to the refiners at Magdeburg prices. The present Magdeburg price is \$1.70. On this basis they lost 10 cents per hundred, or an aggregate of \$3,080,000 on this sugar, to start with. But the refiners manufactured 691,000 tons of refined sugar for home consumption out of this raw sugar. On this 691,000 tons of refined sugar they paid the raw sugar manufacturers a cartel allowance of 74 cents per 100 pounds. This amounted to \$11,453,916. Deducting the \$3,080,000 loss at the time of sale from this amount, the net profit of the raw sugar manufacturers on their Magdeburg business is found to be \$8,373,916 for the year.

But the manufacturers of raw sugar lost part of this profit on their export business. Their sugar cost \$1.80 per hundred. The present Hamburg or export price is \$1.40, which means a loss of 40 cents a hundred. Here, however, they get an export bounty of 26 cents per hundred, so their net loss on their export business is only 14 cents per hundred. The raw-sugar manufacturers exported 533,000 tons during the last sugar year. A loss of 14 cents per hundred on this amount is \$1,671,488. Deducting this amount from the net gain of \$8,373,916 at Magdeburg leaves \$6,702,428 as net gain on the year's total business. This is an average of 19.6 cents per hundred on the total production of 1,908,000 tons of raw sugar.

#### REFINERS' CARTEL PROFITS AND LOSSES.

From what source does the refiner get back this 81.5 cents per 100? To-day he pays \$1.70 for his raw sugar. Assume that the cost of refining sugar is 62.5 cents, the same as in this country. His refined sugar then stands him at \$2.325 per 100 pounds. They sold part of this refined sugar at Hamburg for export for \$1.83 per 100 pounds, or 49 cents less than it cost them, and yet they made almost \$10,000,000 on their year's business.

Mr. OTEY. That is another wonderful shuffle that I do not understand. [Laughter.]

Mr. LONG. Where did they make their money? That is what the gentleman from Virginia is very anxious to know?

Mr. OTEY. It is.

Mr. LONG. I will tell you where they made it. Take a given hundred pounds of this refined sugar and note the difference in selling it for domestic consumption and for export. If sold for consumption, the refiner must pay 81.5 cents into the cartel and \$2.164 consumption tax. It then costs him \$5.804. He sells it at Magdeburg for \$6.04. His profit is 73.6 cents per hundred.

Mr. OTEY. He is robbing somebody. Who is it?

Mr. LONG. They are all robbing the German consumer. But what happens if the refiner sells at Hamburg for export? His sugar has cost him \$2.325. He sells for \$1.83. His first loss is 49.5 cents per hundred. But this is not all loss. The German Government pays him a bounty of 38 cents per hundred. This reduces his actual loss to 11.5 cents per hundred. On all the sugar he sells at Magdeburg for domestic consumption he makes 73.6 cents a hundred. On all he sells at Hamburg for export he loses 11.5 cents per hundred. Last sugar year ending September 30, 1901, the German refiners sold 691,000 tons of refined sugar at Magdeburg for home consumption. A profit of 73.6 cents per 100 pounds on this amount of sugar is \$11,392,102. They sold 547,000 tons at Hamburg for export. A loss of 11.5 cents per 100 pounds on this amount of sugar is \$1,409,072. In other words, the cartel made \$11,392,102 for the German refiners on their Magdeburg business and lost them \$1,409,072 on their Hamburg business. On all their business they made \$9,983,030 by the workings of the cartel and were still enabled to throw away \$1,409,072 in an effort to crush all competition on refined sugar.

#### GERMAN CONSUMERS FORCED TO MAINTAIN CARTEL.

These calculations are based upon the Magdeburg and Hamburg prices of April 1, 1902, which are lower than the ruling prices of the past year. With the prices higher, the profits arising from the cartel are greater for both the refiners and raw-sugar manufacturers.

The entire cartel system is dependent for its success and sta-

bility upon the exorbitantly high price which it compels the German consumer to pay for refined sugar. This price is now, and for some time has been, \$6.04 per 100 pounds. The actual cost of refined sugar to the refiner is \$2.325 to-day. But the refiner must pay the German Government a tax of \$2.164 per 100 pounds on all he sells for home consumption. This would make the actual cost of such sugar \$4.489. The difference, \$1.551, between this figure and \$6.04, the present selling price, represents the \$0.815 paid into the cartel and the \$0.736 refiner's profit. The German refiners are enabled to keep the price of refined sugar up to \$6.04 only by reason of the large surtax. This surtax is the difference between the rate of duty or taxation to which foreign sugars are subjected and that imposed upon the home product. The German import duty is now \$4.328 per 100 pounds on all sugars; the consumption tax \$2.164; hence the present surtax is \$2.164 per 100 pounds on refined sugars. This tax is prohibitive. No foreign sugars are imported into Germany.

This is the game that the Cuban is playing against. This is the game that some Republicans are indorsing when they favor striking off the differential and reducing the duty on refined sugar. They favor the admission of the bounty-fed refined sugar of Europe. They favor transferring the refining business from this country to Germany, where this infamous cartel exists. They would make it so there would be no market here for Cuban sugar; for if there were no refineries here, there would be no purchasers of raw sugar. They would destroy the cane sugar of Cuba and Louisiana. They would destroy the refining industry and the beet-sugar industry of the United States and turn the production of sugar over to this German trust or cartel that has monopolized the sugar industry of Europe and fixed the world's price of sugar below the cost of production.

Mr. OTEY. The "game" that you speak of is carried on, as I understand, in this country under the present Dingley law. That is about as fair as the German "game," is it not?

Mr. LONG. In what respect?

Mr. OTEY. You spoke of the kind of "game" they are trying to play to deprive the producer in Germany—

Mr. LONG. Have you not in Virginia had good times for the past four years under the Dingley law?

Mr. OTEY. I do not know.

Mr. LONG. Have not the people of Virginia been reasonably prosperous and happy under the Dingley law?

Mr. OTEY. I think they would have been a great deal more prosperous if we had not had it.

Mr. LONG. You think so?

Mr. OTEY. Yes, sir.

Mr. LONG. You did not have this prosperity under the Wilson-Gorman law, did you? How did you get along in your State under that law?

Mr. OTEY. Well, times have changed a little since then, you know. [Laughter.]

Mr. LONG. Yes; they have changed.

Mr. OTEY. We are growing a little, you know.

Mr. LONG. In this country we have never had anything which compared with the cartel of Germany. The Brussels conference has agreed on a convention which will go into effect September 1, 1903. Whether that convention will destroy the cartel is a very grave question. We shall know more about it when it has become effective.

Mr. OTEY. The gentleman spoke a few moments ago of the kind of "game" that was being played on the German consumers, or words to that effect. He said it was the same kind of a "game" that some Republicans on this side of the House were trying to play. Now, I want to know what he meant by that?

Mr. LONG. The gentleman has been on the Republican side so little that he does not understand my language. [Laughter.]

Mr. OTEY. I may not understand the language of the gentleman, but I am trying to get a little enlightenment. When he spoke of the "game" I asked him what was the object of that game. He said, if I recollect correctly, that that is the "game" they are playing on the consumers of sugar in Germany.

A MEMBER. The gentleman was referring to Cuba.

Mr. OTEY. Oh, no; the "game" in Germany. And then he said: "That is the kind of game that some Republicans on this side of the House are playing on Cuba," or wanted to play on Cuba. That is what I understood.

Mr. LONG. The gentleman misunderstood me.

Mr. OTEY. Then say it again, so that I may understand what you mean.

Mr. LONG. I will do so for the gentleman's benefit. I called attention to the operation of the cartel in Germany; I said that there are some Republicans who have threatened to join with the Democrats—

Mr. OTEY. That is what you said in the first part of your remarks. I am trying to get at what you said later, when you spoke about the "game."

Mr. LONG. I said there are some Republicans who threaten to vote with the Democrats to strike off the differential on sugar. They want to strike off the differential and turn the refining business of this country over to the cartel of Germany and let foreigners do the refining. They want to kill the refining industry in this country and destroy the market for Cuban raw sugar, for Cuban sugar must first be refined. They would destroy our beet-sugar industry and leave us at the mercy of the German cartel system. That is what I said.

Mr. OTEY. Very well, then.

Mr. LONG. I have not time to pursue further this question of the German cartel.

Mr. OTEY. Take all the time you want. Everybody will give you all the time you want. It is very interesting, and I would like to know something more about it.

Mr. LONG. I am pleased to know that I am not wearying the gentleman.

Mr. OTEY. You are not wearying me at all, sir; I am glad to hear you.

Mr. LONG. I will be as brief as possible.

#### IS THE TRADE OF CUBA DESIRABLE?

Another consideration pertaining to every reciprocity agreement should be to endeavor to secure something in return for any concession that may be made. Will any benefit come to the people of the United States, to any of our domestic industries, from reciprocity with Cuba? Let us look into conditions in Cuba and the possibilities of Cuban trade. Let us see what we have already and what we can obtain by securing special concessions to us in the Cuban tariff.

The position is taken by some members of the House that Cuba should be given charity, that there is distress there, and that we should relieve it, as we would make appropriation for those who have had their property destroyed by floods on the Mississippi River.

This is not my idea of the basis on which we should legislate on this question. I favor reciprocity with Cuba because I believe it will be helpful to the people of Cuba; but I also believe we will get an adequate return.

I think that phase of the question demands more attention than it has received in this House. What Cuba wants is not charity. It is not a gift; it is not bounty. Cuba wants an opportunity to live. It wants to make an exchange of products with us; it wants to give us the trade of that island in return for concessions on sugar and tobacco that will not injure in the remotest degree any of our domestic industries.

Mr. Place, one of the Cuban delegates, in the hearings before the Committee on Ways and Means, said (p. 408, Hearings):

Now, gentlemen, the Cuban representatives are fighting their own cause on its own merits. For every dollar we ask from you we are willing to give you another one.

Is appears to me what we have been looking for has not been well understood. We beg your assistance for our products, and in compensation we want you to secure the trade of Cuba.

If we secure the trade of Cuba, what will we get?

#### RESULTS OF CUBAN RECIPROCITY IN 1891-1894.

We had reciprocity with Cuba under the McKinley law from September 1, 1891 to August 27, 1894. Under that law we admitted sugar, molasses, coffee, and hides free, and in consideration of the free admission of these articles into the United States Spain agreed that certain articles which were the product and manufacture of the United States should be admitted into Cuba free, others at a reduction of 50 per cent of the regular rates, and others still at a reduction of 25 per cent. We thus have had an object lesson showing the benefits to the United States of reciprocity with Cuba.

In 1891, the last complete fiscal year before the agreement went into effect, our total exports to Cuba amounted to \$12,224,888. In 1893, the first complete fiscal year after the agreement was in force, our exports amounted to \$24,157,698. In 1896, the first complete fiscal year after the agreement was abrogated, our exports to Cuba had fallen to \$7,530,880. Our exports of corn to Cuba in 1891 were valued at \$220,187. In 1893 they had risen to \$592,050, and in 1896 they had fallen to \$93,201. We sold Cuba wheat flour in 1891 of the value of \$591,836, in 1893, \$2,821,557, and in 1896 our exports of wheat flour had fallen to \$647,057. Our total exports of breadstuffs to Cuba in 1891 were \$874,979. In 1893, under reciprocity, they had increased to \$3,512,207, while in 1896, after reciprocity, they had fallen to \$896,673.

Before reciprocity, in 1891, we sold Cuba bacon and hams to the value of \$586,413. In 1893, under reciprocity, our total exports of these articles to Cuba amounted to \$1,317,829. In 1896, after reciprocity, we sold Cuba of these articles \$734,540. We sold Cuba lard of the value of \$2,079,534 in 1891, increased this amount to \$4,023,970 under reciprocity, and had it reduced again in 1896, after reciprocity, to \$1,551,185. Our total meat and dairy products sold to Cuba in 1891 amounted to \$2,787,608, and in 1893, under

reciprocity, the total value of these products taken from us by Cuba amounted to \$5,700,536. In 1896, after the destruction of reciprocity by the Wilson-Gorman tariff law, Cuba bought of us only \$2,166,677 of such products.

Our trade with Cuba under McKinley reciprocity is all the more remarkable when considered in connection with our foreign trade of that period. There was a marked falling off in our exports in 1893 as compared with 1891. This was especially true with reference to all Latin-American countries and the West Indies, excepting Cuba. Nicaragua, Honduras, and Brazil were disturbed by insurrections, which materially decreased the foreign commerce. An extraordinary succession of poor crops had reduced the purchasing power of other Central and South American countries to the minimum. A period of financial and commercial depression, unprecedented in its severity, prevailed throughout all countries where silver was the standard currency. The Mexican dollar, the standard in Cuba, fell in value and purchasing power from about 76 cents in gold, in 1891, to about 56 cents, in 1893. Other nations suffered in their trade just as we did. In 1893 the London Chamber of Commerce, the greatest commercial body in the world, presented a memorial to the British Government setting forth the deplorable condition of the foreign trade of Great Britain, and asking that the International Monetary Conference be reassembled, in the hope of finding some remedy for existing conditions. Our total exports fell from \$884,480,810, in 1891, to \$847,665,194, in 1893. But our exports to Cuba jumped from \$12,224,888, in 1891, to \$24,157,698, in 1893, notwithstanding the fact that it then took three Mexican dollars to pay the bills that two settled in 1891. Our total exports rose again to \$882,606,938 in 1896. But reciprocity with Cuba was at an end. Cuban prosperity had departed. Our exports to that island were only \$7,530,880. The same is true with other countries with which we had reciprocity at that time. While our exports to the world at large were decreasing, we sold more and more, year after year, to the countries with which we had reciprocity. When reciprocity ceased, our trade with these countries dwindled away.

Certainly reciprocity with Cuba under the McKinley law was a benefit and not an injury to the United States. The trade of Cuba is not large compared with that of some European countries, but the advantage to the United States comes from the fact that she consumes articles which we produce in abundance and for which we must find a foreign market. Her industries are largely confined to sugar and tobacco, and by the admission of these products at a reasonable concession we obtain the entire market of Cuba for products that we produce in abundance, and of which our surplus must be, of necessity, disposed of abroad.

#### WHAT HAS CUBA TO OFFER?

If we secure the trade of Cuba, what will we obtain that we do not now possess?

Last year, under the present military tariff, we practically had all of the trade of Cuba in corn, wheat, flour, and other breadstuffs; but Cuba also imported cattle and animals to the amount of \$8,476,509, of which only \$1,994,218 came from the United States. Cuba imported dairy products to the amount of \$1,071,711, of which only \$491,318 came from the United States. Cuba imported meats and meat products to the amount of \$8,791,689, of which only \$666,211 came from the United States. Cuba imported oils, grease, and paraffin to the amount of \$2,598,938, of which only \$713,737 came from the United States. Cuba imported cotton, and manufactures of, to the amount of \$6,068,241, of which only \$464,816 came from the United States. Cuba imported iron and steel, and manufactures of, to the amount of \$4,799,216, of which only \$3,403,607 came from the United States. Cuba imported of boots and shoes \$1,638,084, of which only \$405,682 came from the United States.

Of the articles that are distinctly those of the farm, the importations of Cuba last year were \$24,371,808; of which only \$12,137,708 came from the United States.

The total imports of Cuba for the last fiscal year amounted to \$65,050,141; of which only \$28,078,702 came from the United States.

All the witnesses before the Committee on Ways and Means stated that with prosperity in Cuba the importations of that island would amount to \$150,000,000 to \$200,000,000 annually. This is the trade that Cuba offers to the United States in return for concessions on her products.

Is this charity? Is it not a good business bargain, viewed from the standpoint of the United States?

#### AN IDEAL OPPORTUNITY FOR RECIPROCITY.

The relations between this country and Cuba furnish an ideal opportunity for the establishment of reciprocal arrangements between the two countries. President McKinley, in his Buffalo speech, said:

By sensible trade arrangements which will not interrupt our home production we shall extend the outlets for our increasing surplus.



He also said:

We should take from our customers such of their products as we can use without harm to our industries and labor. Reciprocity is the natural outgrowth of our entire industrial development under the domestic policy now firmly established. \* \* \* Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not. If, perchance, some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?

Cuba, therefore, answers every definition and complies with every requisite which reciprocity demands. I have shown that reciprocity is Republican doctrine, and I have argued this question upon that assumption, without referring to the fact that we are under any obligations to Cuba growing out of the war with Spain. I have discussed it simply as a good trade arrangement such as we had under the McKinley law and such as we said in our national platform of 1896 should be extended and enlarged. In stating that it is Republican doctrine I have the support of the able chairman of the committee [Mr. PAYNE], who in his report on this bill says:

Aside from the exceptional case that Cuba presents, the action of the committee is in entire accord with the reciprocity doctrine of the Republican platform and the declarations of President McKinley and President Roosevelt. It involves no proposed revision of the tariff or anything not entirely in harmony with the maintenance of the protective system.

Joining in that report are the gentleman from Pennsylvania [Mr. DALZELL], another strong protectionist, and the gentleman from Ohio [Mr. GROSVENOR], who in his speech yesterday indorsed the doctrine of reciprocity as I have been arguing it this afternoon.

#### IS RECIPROCITY DEMOCRATIC DOCTRINE?

Is it Democratic doctrine? On that I am in doubt. I am left in doubt by the various reports filed by the Democratic members of the committee. The gentleman from Louisiana [Mr. ROBERTSON] who is a high protectionist on sugar and a freetrader on everything else, has this to say in regard to reciprocity as contained in this bill:

It seems to me that this kind of reciprocity is absolutely impossible under a Democratic tariff. Should the tariff ever be revised on the line and plane of the principles of the Democratic party, reciprocity would be entirely unnecessary and impossible, as the rates would not be prohibitive, and the extension of our trade would as a natural consequence flow from the imposition of such tariff rates without the necessity of reciprocity.

That is one Democrat. Here is another. Here is the gentleman from Texas [Mr. COOPER], another member of the committee, who never lets go by an opportunity to seek light and information in regard to any Democratic tariff, and who seems to be especially anxious this afternoon to get information on the differentials. Here is what he says in his report on this bill:

It inaugurates the policy of reciprocity, which, as now advocated by the Republican party, is as un-Democratic as a tariff for protection, and which has been aptly called the "handmaiden of protection." The Democratic view has always been that tariffs should be laid fairly and equitably to raise revenue for the support of the Government. It is as much a perversion of the taxing power to use it as a means to dicker and barter with other countries as it is to use it to protect favored industries against foreign competition. Tariffs should be framed for revenue and should be applied to all nations alike, enabling them to trade with us upon terms of equality.

Here comes another Democratic member of the committee, the gentleman from Nevada [Mr. NEWLANDS]; a new leader of the Democratic party; a gentleman who does not hesitate to lead the party simply because he is a new member of it; a gentleman who in the Fifty-sixth Congress was registered in the Congressional Directory as a Silverite, but who always acted with the Democrats in that Congress. I am proud to say, speaking a good word for the Congressional Directory, that it has finally caught up with the procession, and now the gentleman from Nevada is registered under his true colors, as a Democrat. Here is what he has to say as a leader of his party, a leader who is trying to lead it into favoring the forcible annexation of Cuba:

Nor should the tariff reformer be misled by the suggestion of reciprocity. Reciprocity does not mean free trade. It means the extension of the policy of protection to other countries. It makes the trade of the world subject to the varying treaties made by the different countries of the world, each country seeking to obtain an advantage, each country seeking to favor some and to discriminate against others. \* \* \* The Democratic party, therefore, should, in my judgment, take strong grounds against reciprocal treaties of any kind.

These are three eminent Democrats of the Ways and Means Committee who have taken strong ground against this bill, because they say it is not good Democratic doctrine. But there are others. I now refer to the report of that other leader of the Democratic party, the gentleman from New York [Mr. McCLELLAN]. I do not want the members of this House to be confused by my references to the various leaders of the Democratic party. It is well known that they have several. [Laughter.]

The gentleman from New York [Mr. McCLELLAN] has supported this bill from the beginning, and has assisted very materially in its progress up to this time. What does the gentleman from New York [Mr. McCLELLAN], who does me the honor to listen to me at this time, say in his report?

Thomas Jefferson, whose Democracy is unquestioned, was the first American to preach the doctrine of reciprocity. The first treaty of reciprocity was

negotiated by Franklin Pierce, a Democratic President, with the Dominion of Canada. The Hawaiian treaty of reciprocity was renewed by a Democratic President, Grover Cleveland. The Democratic platform of 1882 proclaimed the Democratic doctrine of reciprocity. Republican leaders have torn a leaf from the gospels of Democracy, as written by the Democratic evangelist, Thomas Jefferson, and tried to copyright it as a new dispensation of Republican dogma. The reciprocal feature of this bill may well cause Republicans to hesitate, for it is the purest, most unadulterated Democracy.

While we may differ on this side as to reciprocity and what it means, our differences do not, in variety, compare with the differences of the Democratic party on this proposition. While the gentleman from New York had no Democrat to join him in these views, neither did any of the other Democrats who filed minority reports. They were utterly unable to get the consent of any of their colleagues on the committee to any of the propositions they advanced unless they were stated in their own language.

But the gentleman from New York has distinguished support, for when the bill was voted upon in the committee he was gratified to behold marching under his banner, the banner of reciprocity as he upheld it, the Democratic leader [Mr. RICHARDSON of Tennessee] and that other distinguished Democrat from Virginia [Mr. SWANSON].

While the gentleman from New York [Mr. McCLELLAN] abides within the shadow of Wall street, and many of his constituents may be interested in the sugar trust, yet he is supported in his position on this bill by that distinguished Democrat from the plains of Nebraska, sitting in his editorial sanctum.

Mr. MANN. Or his barn. [Laughter.]

Mr. LONG. Or his barn. That great leader of the Democracy, that defeated but not abandoned leader of the Democracy, writes editorials on this question that have been put into the CONGRESSIONAL RECORD by the gentleman from New York [Mr. McCLELLAN] in indorsement of his position.

So, I say to Democrats, I say to the gentleman from Virginia [Mr. OREY], you can take your choice as to what the true Democratic doctrine is and whether you are a good Democrat when you support this bill.

But there is a higher ground than this. It does not surprise me that there are Democrats supporting this measure. I recall the fact that when the intervention resolution was passed every member of this House, Democrats and Republicans, except six, voted for it. When it went to the Senate, it was supported by Republicans and by Democrats. If it had received only Republican votes in the Senate, it would have been defeated. When the war was over and the treaty of peace had been made and was submitted to the Senate, I recall that it was ratified only with the aid of Democratic votes. As this bill deals with a question that has grown out of the war with Spain, I am not surprised, though it was recommended by a Republican President, that yet it is receiving the support of Democrats as well as Republicans.

#### OPPOSITION'S CHANGE OF POSITION.

Mr. SMITH of Kentucky. If it will not disturb the gentleman, I was called out of the Chamber and deprived of hearing a part of the gentleman's entertaining speech. I want to know if he touched upon the question as to about how much of the present sugar crop of Cuba is now in the hands of the people of that country?

Mr. LONG. I have quoted from and will put in the RECORD a statement from Governor-General Wood, giving the latest information as to the ownership of Cuban sugar. The opponents of this bill have changed their position on this question since the gentleman from New York [Mr. PAYNE] read the statement in his speech.

The claim before that was that the sugar trust owned all the sugar. The claim since has been that the sugar trust has refrained from purchasing sugar; that the sugar trust is awaiting the result of this legislation before purchasing largely. They sought to prove it by the annual statement of the sugar trust, which showed a large decrease in the amount of raw sugar on hand.

Mr. GROSVENOR. To the extent of \$10,000,000 short.

Mr. LONG. Yes; to the extent of \$10,000,000. It is claimed they are waiting until after this bill becomes a law before they will purchase Cuban sugar.

Mr. SMITH of Kentucky. I hope that is true as far as I am concerned.

Mr. LONG. That is the argument which the opponents of this bill have been using since the gentleman from New York [Mr. PAYNE] read the cablegram from General Wood, which I will insert in my remarks.

Mr. SCOTT. What is the gentleman's theory as to why the American Sugar Refining Company is \$10,000,000 short in its stock of raw sugar at this time?

Mr. LONG. The American Sugar Refining Company is conducted on a business basis. It would be a very unwise business concern that would buy sugar long in advance, considering the conditions of the sugar market the world over. The price of

sugar has been fluctuating greatly during the past year, falling all the time. It has been uncertain what the price would be from one day to the next. It has changed from week to week and month to month under the operation of several influences, one being the sugar conference at Brussels; another, the imposition of duties on sugar in England, and still another, the great overproduction of sugar throughout the world.

They could not safely buy sugar at any price beyond their immediate demands. Sugar on the 1st day of April, in New York, was \$3.62½ a hundred, and it is \$3.37½ a hundred to-day. It has been fluctuating like that all winter, and of course no wise business concern would lay in a large supply of sugar under these circumstances.

Mr. PAYNE. Let me ask the gentleman if it has not advanced in price since the 1st of January?

Mr. LONG. No.

Mr. PAYNE. Is it not higher now than it was the 1st of January?

Mr. LONG. No; it is \$3.37½ per hundred to-day, which is the low point during the past year. On the 1st of January it was \$3.62½; on the 1st of February, \$3.69; the 1st of March, \$3.62½, and on the 1st of April \$3.62½. In these various months it has gone up and come down to to-day's price several times before during the winter. It has been constantly fluctuating, not only here, but in Hamburg. This is caused by the immense stock of sugar on hand throughout the world, and other causes to which I have referred.

Mr. SCOTT. The gentleman does not concede then that this action on the part of the sugar trust is due wholly to its anticipation of the result of this legislation?

Mr. LONG. Not at all. The price of sugar is fixed in Hamburg, and the New York price will follow the Hamburg price in the future as it has in the past.

#### OUR RELATIONS WITH CUBA.

It may be well to refer to some recent history touching our relations with Cuba. In the intervention resolution at the beginning of the war with Spain we disclaimed any intention to exercise sovereignty or control over Cuba, except for the pacification of the island, and that when that was accomplished we would leave the government and control of Cuba to its people.

Under the Platt amendment we defined our relations with Cuba in detail.

The claim has been made in this debate that the United States received no benefit from the Platt amendment, but that the different provisions of this amendment were for Cuba alone, and entirely independent of any benefits to the United States. That this position is untenable is clearly shown from the language of the amendment itself.

The first clause of the amendment recognizes the Monroe doctrine, which we have insisted upon for so many years. It plainly says that Cuba will not authorize or permit any foreign power to obtain lodgment or control in any portion of the island. Is not this for the good of the United States? Are we not benefited by the assurance that the government of Cuba in its constitution, which is finally to be put into a permanent treaty, guarantees that no foreign power shall obtain lodgment in the island?

In the second clause Cuba agrees not to contract any public debt, to pay the interest on which, and to make reasonable sinking-fund provision for its discharge, the ordinary funds of the island after paying expenses are not adequate.

This, it is true, is for the benefit of Cuba, but it is also for our benefit in making doubly sure that no foreign power obtains control in Cuba. If Cuba had unlimited power to borrow money from foreign powers or their citizens, there might eventually arise serious complications when efforts were made to collect the debts.

While this clause is for the benefit of Cuba it may inure to our own advantage as well, and it has rendered it absolutely necessary that the government of Cuba shall have ample revenues to pay current expenses as well as to pay the interest and sinking fund on any indebtedness that may be contracted.

Cuba is a Latin country, and such countries have long been in the habit of supporting their governments out of the revenues received at the custom-houses. The taxes on real estate and personal property will not be sufficient to more than pay the expenses of the municipal and provincial governments. The general government of Cuba must be supported by the custom-houses.

Export duties should not be levied, as they will be an additional charge on sugar and tobacco. Import duties alone should produce the required revenue. The larger the imports, the more the revenues there will be to run the new government. The last fiscal year the total imports amounted to \$66,264,767. The exports amounted to \$64,245,801. If Cuba is prosperous and her exports increase to one hundred or to one hundred and fifty millions, her imports will increase to a similar amount. With the increase of her imports the revenues collected at the custom-houses will also

increase. This is necessary in order to carry out the provisions of the Platt amendment.

It is certainly to the interest of the United States that there should be peace and order in Cuba instead of insurrection and disorder.

Clause 3 of the amendment gives to the United States the right to intervene not only for the preservation of Cuban independence, but for the maintenance of a government adequate for the protection of life, property, and individual liberty. We will claim the right to determine when the conditions justify our intervention. We can insist that American citizens shall have equal protection of the law in any country where they may temporarily abide, but no other country but Cuba has agreed to accord us the right to intervene when the existing government is unable to protect the life, property, and individual liberty of its own citizens.

It is to the interest of the United States that our Southern cities should be kept free from a recurrence of epidemic and infectious diseases. Since the American occupation in Cuba, Havana and the other cities in Cuba have been singularly free from epidemic and infectious diseases. When Cuba is free from such diseases, the chances of an epidemic in our Southern cities are greatly reduced.

And so clause 5 of the amendment, while passed for the benefit of Cuba, is also for the benefit of the United States. Cuba obligates itself to extend the plans already devised and others that may be mutually agreed upon for the sanitation of the island.

All this requires money, and that money can only be obtained at the custom-houses on imports, and imports only come in when exports go out at a profit. So it is that the Platt amendment, which is in the main intended for the welfare of the island of Cuba, is also for the benefit of the people of the United States, and was so understood at the time of its adoption. As the Secretary of War so clearly states, "the peace of Cuba is necessary to the peace of the United States, the health of Cuba is necessary to the health of the United States, the independence of Cuba is necessary to the safety of the United States, and the same consideration which led to the war with Spain now requires that a commercial arrangement be made under which Cuba can live."

A stable government, with revenues sufficient to pay its expenses, is absolutely necessary for the good of Cuba, and such a government can not be organized or maintained unless it is based on the prosperity of the people of the island. Her principal product is sugar, which she now sells in our market below the cost of production. We can relieve the situation and insure the maintenance of a stable government in Cuba if we will permit the sale of that product in our market at a profit."

When the Platt amendment was submitted to the Cuban constitutional convention, there was much opposition to its adoption. It was finally agreed to by the convention with an appendix which General Wood submitted to the Secretary of War. This appendix provided that at the time the Platt amendment was agreed to by Cuba, a treaty of commerce based on reciprocity between the natural and manufactured products of both countries should be agreed to. On May 28, 1901, the Secretary of War wrote to General Wood in regard to this appendix, which was called by the Cubans an "explanation," saying:

The explanation further emasculates the clause by tacking to it a provision for a reciprocity treaty at the same time; that is, it makes the sale or lease of coaling stations dependent upon a reciprocity treaty satisfactory to Cuba.

The whole subject will be laid before the President as soon as possible after his arrival here on Thursday, when I will communicate with you further.

On the same day General Wood cabled to the Secretary of War that the Platt amendment and appendix had been passed by the constitutional convention that day.

On May 31, 1901, the Secretary of War wrote to General Wood in regard to the "explanation," saying:

The explanation further adds a provision for the celebration, at the same time, of a reciprocity treaty between Cuba and the United States, so that the sale or lease of coaling stations, instead of being ordained by the convention, is left to the uncontrolled will of the government of Cuba under an authority not to be exercised unless it obtains at the same time a satisfactory reciprocity treaty, which, however desirable it may be, is not even referred to in the Platt amendment. The effect of all this is that the naval-station clause of the act of Congress is entirely destroyed.

The Secretary also states in his letter that the Platt amendment, being a law of the United States, the President is bound to execute it, and to execute it as it is. He can not change or modify, add to, or subtract from it. He stated that the executive action called for by the statute is the withdrawal of the army from Cuba, and the statute only authorizes such action when the statute is incorporated into the constitution of Cuba.

In order that a definite understanding might be had with the President and Secretary of War, a commission from the Cuban convention came to Washington. These commissioners had interviews with the President and with the Secretary of War. La Patria, a newspaper published in Habana, under date of May 25,



1901, contains the report made by the chairman of the commission of the interview with the Secretary of War:

The chairman of the commission spoke of the steps taken to obtain a formal promise from the Executive for the purpose of securing favorable legislation for Cuban products, and the efforts made to learn the state of American opinion on the subject. The Secretary (of War) stated that while only speaking for himself and on behalf of the President, he could assure the commission that if the Cuban government were once established there would immediately be appointed a commission to take up the question and propose a commercial treaty between the two countries; that the President would immediately appoint a representative for the purpose of conferring with a Cuban representative as soon as possible with reference to the treaty, which should be based on mutual advantages.

This interview was had on April 24, 1901.

To show the Cuban understanding of what the assurances were I quote from the statement of Miguel Mendoza, found on page 412 of the recent hearings before the Committee on Ways and Means:

Mr. LONG. You state that you were given certain assurances by the President?

Mr. MENDOZA. By President McKinley.

Mr. LONG. By President McKinley, when you accepted the Platt amendment?

Mr. MENDOZA. Yes, sir.

Mr. LONG. Will you state how and in what manner those assurances were given?

Mr. MENDOZA. Well, when the Platt amendment was made they did not want to accept it in Cuba, and commissioners were sent here to say that they would be willing to accept it if some economic concessions were made to Cuba. Then, as Congress was not in session, they were assured that that could not be done at once, but that they should accept the amendment as it had been framed; and the President said that while, of course, he could not promise anything (because that does not depend upon the President) he would use his influence, as I have said, in the direction of our receiving fair treatment and getting some concessions.

Mr. LONG. That was President McKinley?

Mr. MENDOZA. President McKinley; yes, sir; and President Roosevelt has followed President McKinley's policy in that respect, because he supports us in his message.

On June 13, 1901, General Wood cabled the Secretary of War that the Platt amendment had been accepted by the constitutional convention, exactly as written, without any change or modification whatever, by a vote of 16 in favor to 11 against.

#### WHY CUBA WANTS "McKINLEY RECIPROCITY."

It is necessary only to refer to recent history to understand why the people of Cuba are so anxious for reciprocity with the United States. They had it once under the McKinley law, and it was so popular in Cuba that they call it to this day "McKinley reciprocity." The repeal of the McKinley law by Congress in 1894 was no less disastrous to Cuba than it was to the United States. With the repeal of that law, reciprocity with the United States came to an end.

Mr. Robert P. Porter, special commissioner of the United States, in 1898 made a report to the Secretary of the Treasury, using the following language:

Several of the witnesses examined in Havana and other cities of Cuba earnestly requested that the rates of duty of the McKinley reciprocity treaty be reenacted on articles coming from the United States. In support of this they urged the fact that the Spanish-Cuban war was to a large extent a commercial war; that the repeal of the McKinley reciprocity treaty was a severe blow to the Cuban producer, and brought to an end a period of considerable industrial prosperity in the island of Cuba.

The figures of importations into Cuba during the years in which reciprocity was in force bear evidence of this. The first year of the reciprocity treaty the amount of imports from the United States into Cuba was \$11,000,000; the second year, \$17,000,000; and the last year it amounted to \$23,000,000. We were able, under this treaty, to have the Cuban market entirely to ourselves. The English, French, and Germans were left out altogether. These figures do not fully indicate the benefits arising from the reciprocity treaty. The only attainable figures are from Spanish sources, and therefore, very much allowance must be made for undervaluation, false classification, and smuggling. In view of this there are some competent authorities who contend that if the above figures were all multiplied by two it would give a more accurate idea of the value of the commodities sent from the United States to Cuba during this prosperous period.

The effect of what the Cubans call the McKinley reciprocity treaty was almost magical, and many witnesses referred to that period not only as the most prosperous in recent years in Cuba, but as giving them opportunity for improving their estates and making purchases otherwise impossible.

To what extent the repeal of this reciprocity treaty may have been responsible for the war it is impossible to say, nor is such a discussion within the province of this report, dealing, as it does, with the present industrial condition of the island.

Nevertheless, there may be found in all the ports of the island of Cuba visited by your Commissioner a very strong feeling that the closer the ties of reciprocal trade are between the United States and Cuba, the better for that island.

#### ECONOMIC CONDITIONS CAUSED WAR IN 1895.

Mr. Porter then quotes the following from a memorandum sent by the Cuban planters to the Spanish Cortes in 1895:

The uneasiness and discontent prevailing in Cuba proceeded mainly, if not exclusively, from economical causes. That modern history teaches and logic confirms the truth that as long as the grave economical questions which interest and convulse Cuba are not settled no moral peace and no confidence in the future are to be expected.

The report then continues:

These words may be taken in conjunction with the testimony of many other witnesses, who have openly insisted that the Cuban war was a commercial war, culminating in consequence of the repeal of the McKinley reciprocity treaty.

To show that Spain recognized that the Cuban insurrection had its origin in economic conditions, and that reciprocity with the United States would relieve the situation, bring prosperity to Cuba, and help to end the war, is shown by the proceedings preceding the granting of autonomy to Cuba. Sagasta in submitting the new constitution to the Queen Regent on November 25, 1897, said in regard to the conditions in Cuba:

Complaints arose, not from the existence of discriminating duties, but from the fact that these duties were too high, and that this prevented the Antilles from securing the markets which they needed for their rich and abundant productions and from the lack of reciprocity.

In the constitution given to Cuba on the above date, it was provided that treaties of commerce affecting the Island of Cuba should be conducted by Spain, but assisted by special delegates duly authorized by Cuba. This was the first time Cuba ever was permitted to participate in the negotiation of treaties of commerce. Spain immediately endeavored to negotiate such a treaty with the United States. On March 17, 1898, within a month before our war with Spain began, the Spanish minister in Washington addressed a note to the Secretary of State advising him of his appointment, together with representatives from the insular government of Cuba, to conduct negotiations for a treaty of reciprocity between the United States and Cuba. If economical causes brought on the insurrection against Spain, may not similar conditions in the island produce like results in the future?

Can the Cubans be censured for wishing to have an understanding with the United States in regard to reciprocity before they accepted the Platt amendment? The island had had reciprocity under the McKinley law, and the people knew what it meant to them. The people of this country, after the repeal of the McKinley law and their experience under a different policy, demanded its reenactment, and Congress gave them the Dingley law in its place. The people of Cuba, after their experience under McKinley reciprocity and its repeal, wanted it renewed, and have asked the United States for its reenactment. Let us, in the interest of Cuba and also for the benefit of the people of this country, give them the pending Payne bill.

#### OUR OBLIGATIONS TO CUBA.

As President Roosevelt said in his message to Congress, there are weighty reasons of morality and national interest why the policy of reciprocity should be held to have a peculiar application to Cuba. Cuba has consented that the United States may intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property, and individual liberty, and for the discharge of the obligations imposed by the treaty of Paris. It is apparent to anyone that to carry out the obligations assumed by Cuba that it is necessary that the people of the island shall be prosperous and that the government shall be successful.

There is no market but ours for Cuban sugar. Practically her entire crop will come here for sale in the future, as in the past, to be disposed of either at a profit or a loss. By tariff regulations and restrictions, practically every European country has shut out Cuban sugar. It will come here to be disposed of, and it is the chief source of revenue for the Cuban people. If this product is disposed of at less than the cost of production it will prevent the people of Cuba from purchasing from other countries anything except the bare necessities of life. If the purchasing power of Cuba is reduced to a low level her revenues will decline and her government will be unable to carry out and perform the obligations imposed by the Platt amendment.

It is apparent to anyone that the obligations can only be discharged by a solvent government, established over a free people who are contented and prosperous. If sugar is the principal product on which the people of Cuba depend and that product can not be disposed of except at a loss, it means general destitution to the whole island. Three-fourths of the people of Cuba are directly or indirectly interested in the success of the sugar industry. When it is prosperous the island is contented and happy, and when failure comes they are all sad and despondent. We are not obliged nor are we under any obligations to feed and clothe the people of Cuba. It is not a question of charity, and we should not look upon it in that way.

#### INDEPENDENCE VALUELESS WITHOUT PROSPERITY.

But this nation, witnessing the condition of the island during its struggle against Spain, insisted that the cruel war should stop and that the people of Cuba should have a right to establish a government of their own. That government is soon to be established. The military government that we have maintained in the island ever since the end of the Spanish war is shortly to be succeeded by a government of their own selection. But a free government, even though selected by the voice of the people, can not be successful if the people themselves are not prosperous. We certainly can not claim that our mission is ended if when we withdraw our Army from Cuba and leave the island to its own people

and to the government they have selected business conditions in the island are similar to what they were before we intervened.

President McKinley, in his message to Congress, December 5, 1898, said:

As soon as we are in possession of Cuba and have pacified the island it will be necessary to give aid and direction to its people to form a government for themselves. This should be undertaken at the earliest moment consistent with safety and assured success. It is important that our relations with this people shall be of the most friendly character and our commercial relations close and reciprocal.

President McKinley also said in his annual message of December 5, 1899:

This nation has assumed before the world a grave responsibility for the future good government of Cuba. We have accepted a trust the fulfillment of which calls for the sternest integrity of purpose and the exercise of the highest wisdom. The new Cuba yet to arise from the ashes of the past must needs be bound to us by ties of singular intimacy and strength if its enduring welfare is to be assured. Whether those ties shall be organic or conventional, the destinies of Cuba are in some rightful form and manner irrevocably linked with our own, but how or how far is for the future to determine in the ripeness of events. Whatever be the outcome, we must see to it that free Cuba is a reality, not a name, a perfect entity, not a hasty experiment bearing within itself the elements of failure. Our mission, to accomplish which we took up the waver of battle, is not to be fulfilled by turning adrift any loosely-framed commonwealth to face the vicissitudes which too often attend weaker States whose natural wealth and abundant resources are offset by the incongruities of their political organization and the recurring occasions for internal rivalries to sap their strength and dissipate their energies. The greatest blessing which can come to Cuba is the restoration of her agricultural and industrial prosperity, which will give employment to idle men and reestablish the pursuits of peace. This is her chief and immediate need.

These words were used over two years ago, and later the Platt amendment put into statutory form our present relations with Cuba. There must be a stable government in Cuba, capable of performing its international obligations, and such government can not exist or be maintained except by ample revenues through the ordinary channels of taxation, and the revenues can not be obtained unless the people of the island can dispose of their products at a reasonable profit.

The Secretary of War states the whole proposition in his last report as follows:

Cuba has acquiesced in our right to say that she shall not put herself in the hands of any other power, whatever her necessities, and in our right to insist upon the maintenance of free and orderly government throughout her limits, however impoverished and desperate may be her people. Correlative to this right is a duty of the highest obligation to treat her not as an enemy, not at arm's length as an aggressive commercial rival, but with a generosity which toward her will be but justice; to shape our laws so that they shall contribute to her welfare as well as our own. \* \* \* Aside from the moral obligation to which we committed ourselves when we drove Spain out of Cuba, and aside from the ordinary considerations of commercial advantage involved in a reciprocity treaty, there are the weightiest reasons of American public policy pointing in the same direction; for the peace of Cuba is necessary to the peace of the United States; the health of Cuba is necessary to the health of the United States; the independence of Cuba is necessary to the safety of the United States. The same considerations which led to the war with Spain now require that a commercial arrangement be made under which Cuba can live.

#### OUR RESPONSIBILITY NOT YET ENDED.

It is contended by the opponents of this bill that our responsibility for the welfare of Cuba ended with the war with Spain; that there is no obligation resting on us to provide for the future commercial prosperity of the Cuban people. To those who believe that our work in Cuba is ended I commend a careful reading of the following editorial in the Havana Post of January 19, 1902:

But the primary cause which led to war, to Cuban independence, and to intervention by the United States is not removed. Good government has ameliorated the conditions, but it can not change them. The best government can not long be maintained here, if the present economic conditions shall continue. There would have been no uprising in 1894 if Cuba had not been dependent then, as she is now, upon the production of sugar; and economically her people are no better off to-day than they were then.

To leave her now, as it is proposed, without relief, but still the victim of the world's sugar tariffs and crushed by the appalling misfortunes which the last ten years have heaped upon her, would be to cast to the winds every shred of the admirable fabric of free government which the Americans have created. American intervention can not stop at this point. Good sense, business foresight, fair play and common honesty will all unite to prevent it. It is not the practice of the United States to let good work go backward, to miss opportunities for business advancement, to ignore her obligations, or to inflict needless suffering upon any people. And she would be guilty of all these if she withdrew from Cuba at this time without securing to the island industrial as well as political freedom.

That it is our duty to complete the work undertaken in Cuba is recognized by every patriotic American. We can discharge this obligation and still do no harm to any American industry. Special interests have endeavored to prevent action and tried to alarm Congress by the cry that their particular industries will be ruined if reciprocity with Cuba is adopted. The facts do not warrant this assumption, and if this Congress does its duty, as did the Congress that passed the resolution of intervention, it will provide before this session ends for reciprocity with Cuba, which will bring happiness and contentment to the people of that island, further promote the prosperity of the people of the United States, and honorably finish the work undertaken when the war with Spain began. [Prolonged applause.]

#### APPENDIXES.

##### APPENDIX A.

COMPARISON OF HAMBURG AND NEW YORK PRICES FOR EIGHT YEARS. German beet sugars, 88 per cent analysis per 112 pounds, f. o. b. Hamburg, with equivalent in dollars per 100 pounds for 96° test centrifugals at New York, compared with market price at New York.

[From Willett & Gray's Weekly Statistical Sugar Trade Journal.]

Date.	Hamburg price.	New York equivalent.	New York price, 96°.
1894.			
January 1	12 6½	\$3.07	\$2.875
February 1	12 8½	3.10	3.06
March 1	12 9	3.11	3.18
April 1	12 6	3.06	2.94
May 1	11 6½	2.86	2.75
June 1	11 9½	2.91	2.75
July 1	11 9	2.90	3.125
August 1	11 3½	2.80	3.125
September 1	12 0	4.08	3.75
October 1	10 1½	3.48	3.75
November 1	9 11½	3.42	3.50
December 1	9 9½	3.37	3.50
1895.			
January 1	9 6½	3.30	3.00
February 1	9 3½	3.22	3.18
March 1	9 2	3.18	3.00
April 1	9 3	3.21	3.00
May 1	9 9	3.33	3.125
June 1	10 0	3.44	3.375
July 1	9 8½	3.35	3.25
August 1	9 10½	3.40	3.25
September 1	9 6	3.29	3.25
October 1	10 9½	3.70	3.56
November 1	10 6	3.60	3.37
December 1	10 6	3.60	3.375
1896.			
January 1	10 9	3.69	3.75
February 1	11 9	4.01	3.875
March 1	12 3½	4.17	4.125
April 1	12 4½	4.20	4.18
May 1	12 3	4.16	4.25
June 1	10 6½	3.61	3.875
July 1	9 11½	3.42	3.50
August 1	9 10½	3.40	3.375
September 1	9 0½	3.14	3.25
October 1	8 9½	3.06	3.06
November 1	9 1½	3.17	3.25
December 1	9 2	3.18	3.25
1897.			
January 1	9 2½	3.18	3.18
February 1	9 0	3.13	3.18
March 1	8 9½	3.07	3.25
April 1	9 0	3.13	3.375
May 1	8 10½	3.09	3.25
June 1	8 8½	3.05	3.25
July 1	8 6	2.97	3.50
August 1	8 6	4.06	3.75
September 1	8 10½	4.15	3.75
October 1	8 8½	4.10	3.94
November 1	8 6	4.06	3.81
December 1	9 0	4.18	3.875
1898.			
January 1	9 4½	4.26	4.25
February 1	9 1	4.20	4.06
March 1	9 3½	4.24	4.18
April 1	9 3	4.19	4.125
May 1	9 3	4.23	4.25
June 1	9 8½	4.33	4.31
July 1	9 4	4.25	4.25
August 1	9 4½	4.26	4.125
September 1	9 6½	4.28	4.375
October 1	9 6½	4.29	4.25
November 1	9 7½	4.30	4.31
December 1	10 1½	4.42	4.44
1899.			
January 1	9 5½	4.27	4.31
February 1	9 9½	4.34	4.25
March 1	9 8½	4.32	4.375
April 1	10 1½	4.44	4.44
May 1	11 3	4.66	4.625
June 1	11 2	4.62	4.625
July 1	10 4½	4.46	4.50
August 1	10 10½	4.59	4.50
September 1	10 4	4.40	4.50
October 1	9 5½	4.27	4.31
November 1	9 4	4.19	4.31
December 1	8 11½	4.16	4.25
1900.			
January 1	9 2½	4.22	4.25
February 1	9 9	4.34	4.44
March 1	9 8½	4.33	4.375
April 1	10 1½	4.41	4.41
May 1	10 6½	4.50	4.44
June 1	10 9	4.56	4.56
July 1	11 2½	4.65	4.69
August 1	11 9	4.78	4.875
September 1	11 3½	4.67	4.875
October 1	10 0	4.39	5.00
November 1	9 5½	4.27	4.375
December 1	9 9	4.33	4.375
1901.			
January 1	9 7½	4.20	4.375
February 1	9 8	4.23	4.25



## German beet sugars, etc.—Continued.

Date.	Hamburg price.	New York equivalent.	New York price, 96°.
1901.	s. d.		
March 1	9 2½	\$4.22	\$4.19
April 1	8 11½	4.16	4.03
May 1	9 2½	4.22	4.25
June 1	9 5½	4.27	4.25
July 1	9 3	4.23	4.22
August 1	9 3	4.23	4.15
September 1	8 0	3.95	3.81
October 1	7 6½	3.84	3.75
November 1	7 1½	3.75	3.81
December 1	7 2½	3.76	3.75
1902.			
January 1	6 6	3.62	3.625
February 1	6 8½	3.66	3.60
March 1	6 7½	3.64	3.625
April 1	6 5½	3.60	3.625

Method of ascertaining the New York equivalent price of 96° centrifugal sugar when the Hamburg price of 88 analysis beet sugar is given.

[Computation made on the Hamburg price on April 1, 1902.]

	Per pound.
Beet sugar at 6s. 5½d., f. o. b. Hamburg, 112 pounds—Exchange at \$4.88	
per cwt.	1.40
Freight, 7s. 6d. per ton	.083
Insurance, bank commission, loss weight, one-half per cent each	.022
Duty (88 analysis outturns 94° polarization)	1.615
Countervailing duty (German sugar)	.26
Lighterage at New York	.03
Difference in value to refiners between 88 analysis and 96° polarization.	.19

Parity 96° polarization cane centrifugals..... 3.60  
 Beet 88 analysis 6s. 5½d. f. o. b. Hamburg parity of centrifugals 96° polarization 3.60 cents per pound at New York.  
 Fluctuations of 1½d. equal .027 cents; fluctuations of 3d. equal .054 cents.

## APPENDIX B.

Sales of Porto Rico sugars at New York, compared with market price at New York and showing value f. o. b. Porto Rico.

[Freight to New York, 0.16 cent on bags and 0.22 cent on hogsheads. Insurance about 0.02 cent, duty 15 per cent of Dingley rates (equal to 0.2527 cent on 96° test and 0.216 cent on 89° test).]

[Willett & Gray's Weekly Statistical Sugar Trade Journal, March 6, 1902.]

## FULL DINGLEY RATES.

Date.	Articles.	New York market price.	Value f. o. b. Porto Rico.
1899.		Cents.	Cents.
Mar. 8	3,719 bags muscovados, basis 89°, at 3½ cents	3½	2.25
8	944 bags centrifugals, basis 96°, at 4½ cents	4½	2.51
8	5,000 bags centrifugals, basis 96°, at 2½ cents, c. and f. (equal 4½ cents duty paid)	4½	2.51
9	550 hhd. muscovados, basis 89°, at 3½ cents	3½	2.19
10	100 tons centrifugals, basis 96°, at 2½ cents, c. and f. (equal 4½ cents duty paid)	4½	2.51
10	250 tons muscovados, basis 89°, at 2½ cents, c. and f. (equal 3½ cents duty paid)	3½	2.25
15	1,500 tons muscovados, basis 89°, at 3½ cents	3½	2.25
15	6,900 bags centrifugals, basis 96°, at 4½ cents	4½	2.51
20	1,000 tons muscovados, basis 89°, at 3½ cents	3½	2.25
21	500 bags centrifugals, basis 96°, at 4½ cents	4½	2.57
22	600 hhd. muscovados, basis 89°, at 2½ cents c. and f. (equal 3½ cents duty paid)	3½	2.19
22	600 bags molasses, basis 89°, at 2½ cents c. and f. (equal 3½ cents duty paid)	3½	2.13
22	7,500 bags centrifugals, basis 96°, at 2½ cents c. and f. (equal 4½ cents duty paid)	4½	2.51
31	634 bags centrifugals, basis 96°, at 2½ cents c. and f. (equal 4½ cents duty paid)	4½	2.57
Apr. 1	420 tons muscovados, basis 89°, at 3½ cents	3½	2.32
1	1,275 bags centrifugals, basis 96°, at 4½ cents	4½	2.57
1	200 bags molasses, basis 89°, at 3½ cents	3½	2.19
11	1,700 tons muscovados, basis 89°, at 4½ cents	4½	2.44
14	1,500 hhd. muscovados, basis 89°, at 4½ cents	4½	2.44
14	5,500 bags centrifugals, basis 96°, at 4½ cents	4½	2.70
17	115 hhd. muscovados, basis 89°, at 4½ cents	4½	2.44
17	1,700 bags centrifugals, basis 96°, at 4½ cents	4½	2.70
20	300 tons centrifugals, basis 96°, at 2½ cents c. and f. (equal 4½ cents duty paid)	4½	2.70
20	100 tons molasses, basis 89°, at 2½ cents c. and f. (equal 4½ cents duty paid)	4	2.38
27	318 bags centrifugals, basis 96°, at 4½ cents	4½	2.76
27	3,500 bags centrifugals, basis 96°, at 4½ cents	4½	2.76
May 3	800 bags centrifugals, basis 96°, at 4½ cents	4½	2.88
4	2,000 bags centrifugals, basis 96°, at 4½ cents	4½	2.88
June 1	1,000 bags muscovados, basis 89°, at 4½ cents	4½	2.51
1	1,500 tons muscovados, basis 89°, at 4½ cents	4½	2.51
1	700 bags molasses, basis 89°, at 4½ cents	4	2.36
1	1,500 bags centrifugals, basis 96°, at 4½ cents	4½	2.36
2	1,000 hhd. muscovados, basis 89°, at 2½ cents, c. i. f. (equals 4½ cents duty paid)	4½	2.44
3	1,000 bags centrifugals, basis 96°, at 4½ cents	4½	2.76
3	2,000 bags molasses, basis 89°, at 4½ cents	4½	2.38
7	1,000 tons centrifugals, basis 96°, at 4½ cents	4½	2.82
7	1,200 bags molasses, basis 89°, at 4½ cents	4½	2.44
14	600 hhd. muscovados, basis 89°, at 4½ cents	4½	2.51
16	2,655 bags muscovados, basis 89°, at 4½ cents	4½	2.51
17	4,313 bags centrifugals, basis 96°, at 3½ cents, c. and f. (equals 4½ cents duty paid)	4½	2.82
20	800 bags centrifugals, basis 96°, at 4½ cents	4½	2.76
27	400 bags centrifugals, basis 96°, at 4½ cents	4½	2.70
28	2,400 bags centrifugals, basis 96°, at 4½ cents	4½	2.70

## Sales of Porto Rico sugars at New York, etc.—Continued.

## FULL DINGLEY RATES—continued.

Date.	Articles.	New York market price.	Value f. o. b. Porto Rico.
1899.		Cents.	Cents.
28	1,954 bags molasses, basis 89°, at 3½ cents	3½	2.32
July 5	6,300 bags centrifugals, basis 96°, at 4½ cents	4½	2.63
6	8,000 bags centrifugals, basis 96°, at 4½ cents	4½	2.63
6	3,000 bags muscovados, basis 89°, at 3½ cents	3½	2.25
13	600 hhd. muscovados, basis 89°, at 3½ cents	3½	2.19
25	1,000 hhd. muscovados, basis 89°, at 3½ cents	3½	2.19
27	80 hhd. muscovados, basis 89°, at 3½ cents	3½	2.26
July 27	3,000 bags centrifugals, basis 96°, at 4½ cents	4½	2.61
Aug. 2	540 tons muscovados, basis 89°, at 3½ cents	3½	2.25
18	10,000 bags centrifugals, basis 96°, at 4½ cents	4½	2.70
18	500 bags molasses, basis 89°, at 3½ cents	3½	2.25

## 15 PER CENT OF DINGLEY RATES.

Date.	Articles.	New York market price.	Value f. o. b. Porto Rico.
1900.			
Apr. 18	For arrival after May 1, 3,000 bags centrifugals, basis 96°, at 4½ cents c. and f. (duty, 2527 cent, equal to 4½ cents, duty paid)	4.44	4.07
May 3	800 tons centrifugals, basis 96°, at 4½ cents	4½	4.04
8	7,000 bags centrifugals, basis 96°, at 4½ cents	4½	4.01
8	192 hhd. muscovados, basis 89°, at 3½ cents	3½	3.49
8	1,000 bags molasses, basis 89°, at 3½ cents	3½	3.36
28	1,250 bags centrifugals, basis 96°, at 4½ cents	4½	4.07
31	1,000 tons muscovados, basis 89°, at 4½ cents	4½	3.67
June 7	3,000 bags muscovados, basis 89°, at 4½ cents	4½	3.73
13	600 bags centrifugals, basis 96°, at 4½ cents	4½	4.20
14	1,000 tons muscovados, basis 89°, at 4½ cents	4½	3.73
14	2,500 bags centrifugals, basis 96°, at 4½ cents	4½	4.20
23	150 tons muscovados, basis 89°, at 4½ cents	4½	3.73
July 5	2,500 bags centrifugals, basis 96°, at 4½ cents	4½	4.32
14	5,000 bags centrifugals, basis 96°, at 4½ cents	4½	4.38
21	600 tons centrifugals, basis 96°, at 4½ cents	4½	4.44
21	200 tons molasses, basis 89°, at 4½ cents	4½	3.73
28	1,200 bags muscovados, basis 89°, at 4½ cents	4½	3.98
30	1,000 bags muscovados, basis 89°, at 4½ cents	4½	3.98
28	3,300 bags centrifugals, basis 96°, at 4½ cents	4½	4.44
31	2,800 bags centrifugals, basis 96°, at 4½ cents	4½	4.44
31	900 bags molasses, basis 89°, at 4½ cents	4½	3.73
Aug. 1	700 tons centrifugals, basis 96°, at 4½ cents	4½	4.44
9	350 tons centrifugals, basis 96°, at 4½ cents	4½	4.38
9	200 tons molasses, basis 89°, at 4½ cents	4	3.61
Sept. 24	200 bags centrifugals, basis 96°, at 5 cents	5	4.57
Oct. 8	300 bags centrifugals, basis 96°, at 4½ cents	4½	4.32
15	50 hhd. muscovados, basis 89°, at 4½ cents	4½	3.80
15	266 bags centrifugals, basis 96°, at 4½ cents	4½	4.32
15	277 bags molasses, basis 89°, at 4½ cents	4	3.61
Dec. 3	250 bags molasses, basis 89°, at 3½ cents	3½	3.30
27	200 bags muscovados, basis 89°, at 3½ cents	3½	4.48
1901.			
Jan. 3	1,200 bags centrifugals, basis 96°, at 4½ cents, c. and f. (duty, 2527 cent, equal to 4½ cents, duty paid)	4½	3.88
Feb. 7	500 bags molasses, basis 89°, at 3½ cents	3½	3.11
26	250 hhd. muscovados, basis 89°, at 3.50 cents, c. i. f. (duty, .216 cent, equals 3.7185 cents duty paid)	3.71	3.27
26	2,300 bags centrifugals, basis 96°, at 3.93 cents, c. i. f. (duty, 2527 cent, equals 4.1875 cents duty paid)	4.18	3.76
Mar. 13	40 hhd. muscovados, basis 89°, at 3½ cents	3½	3.05
Apr. 1	400 bags centrifugals, at 4½ cents	4½	3.60
9	78 hhd. muscovados, basis 89°, at 3½ cents	3½	3.09
18	100 hhd. muscovados, basis 89°, at 3½ cents	3½	3.17
22	144 hhd. and 1,078 bags muscovados, basis 89°, at 3½ cents	3½	3.27
26	500 bags centrifugals, basis 96°, at 4½ cents	4½	3.75
May 1	5,000 bags centrifugals, basis 96°, at 4½ cents	4½	3.82
2	2,000 bags molasses, basis 89°, at 3½ cents	3½	3.11
2	3,000 bags muscovados, basis 89°, at 3½ cents	3½	3.36
7	1,000 bags centrifugals, basis 96°, at 4½ cents	4½	3.82
7	1,000 tons muscovados, basis 89°, at 3½ cents	3½	3.36
9	3,500 bags centrifugals, basis 96°, at 4½ cents	4½	3.86
9	1,500 bags molasses, basis 89°, at 3½ cents	3½	3.11
9	300 tons muscovados, basis 89°, at 3½ cents	3½	3.36
May 9	300 bags centrifugals, basis 96°, at 4½ cents	4½	3.86
13	1,200 tons muscovados, basis 89°, at 3½ cents	3½	3.36
13	5,000 bags centrifugals, basis 96°, at 4½ cents	4½	3.86
13	500 bags molasses, basis 89°, at 3½ cents	3½	3.11
17	3,000 bags centrifugals, basis 96°, at 4½ cents	4½	3.86
17	1,000 bags molasses, basis 89°, at 3½ cents	3½	3.11
17	65 hhd. muscovados, basis 89°, at 3½ cents	3½	3.30
23	190 tons muscovados, basis 89°, at 3½ cents	3½	3.30
23	400 bags molasses, basis 89°, at 3½ cents	3½	3.11
23	600 bags centrifugals, basis 96°, at 4½ cents	4½	3.86
June 7	8,500 bags centrifugals, basis 96°, at 4½ cents	4½	3.82
7	2,500 bags molasses, basis 89°, at 3½ cents	3½	2.98
10	2,000 bags centrifugals, basis 96°, at 4½ cents	4½	3.82
10	700 tons muscovados, basis 89°, at 3½ cents	3½	3.23
21	2,000 bags centrifugals, basis 96°, at 4½ cents	4½	3.79
July 18	4,600 bags centrifugals, basis 96°, at 4½ cents	4½	3.73
18	1,000 bags molasses, basis 89°, at 3½ cents	3½	2.86
FREE OF DUTY.			
July 26	10,000 bags centrifugals, basis 96°, at 4½ cents	4½	3.93
26	1,200 bags molasses, basis 89°, at 3½ cents	3½	3.13
30	1,000 bags centrifugals, basis 96°, at 4½ cents	4½	3.98
Aug. 1	1,500 bags centrifugals, basis 96°, at 4½ cents	4½	3.98
8	2,000 bags centrifugals, basis 96°, at 4½ cents	4½	3.94
Sept. 11	58 hhd. muscovados, basis 89°, at 3½ cents	3½	3.01
17	473 hhd. muscovados, basis 89°, at 3½ cents	3½	3.07
Oct. 21	2,523 bags centrifugals, basis 96°, at 3½ cents	3.81	3.67
23	650 tons muscovados, basis 89°, at 3½ cents	3½	3.07

*Sales of Porto Rico sugars at New York, etc.—Continued.*  
15 PER CENT OF DINGLEY RATES—continued.

Date.	Articles.	New York market price.	Value f. o. b. Porto Rico.
1901.	FREE OF DUTY—continued.	Cents.	Cents.
Nov. 6	800 bags muscovados, basis 89°, at 3½ cents.....	3½	3.07
22	400 hhd. muscovados, basis 89°, at 3½ cents.....	3½	3.01
Dec. 6	9,000 bags centrifugals, basis 96°, at 3½ cents.....	3½	3.57
6	361 hhd. muscovados, basis 89°, at 3½ cents.....	3½	3.05
6	5,000 bags molasses, basis 89°, at 3½ cents.....	3½	2.85
1902.			
Jan. 14	120 tons muscovados, basis 89°, at 3 cents.....	3	2.82

Sugars are shipped from the ports of San Juan, Ponce, Mayaguez, Arecibo, Arroyo, Humacao, Manabo, Jabos, Guanica, Yabacoa, and Aguadilla, on the island of Porto Rico. Owing to competition of new line of steamers, freight is now reduced to 7 cents on bags and 10 cents on hogsheds.

## APPENDIX C.

*Exports from the United States into Cuba for the years 1891, 1893, and 1896.*  
[Compiled from publications issued by Bureau of Statistics, Treasury Department.]

	Exports in quantities.			Exports in values.		
	1891.	1893.	1896.	1891.	1893.	1896.
<b>Breadstuffs:</b>						
Bread and biscuit.....lbs.	261,853	468,613	182,358	\$17,930	\$31,650	\$11,941
Corn.....bush.	367,324	1,041,474	199,193	220,187	582,050	93,201
Corn meal.....bbls.	856	1,225	629	2,909	4,001	1,748
Oats.....bush.	21,837	59,615	7,732	10,598	24,202	2,321
Wheat flour.....bbls.	114,447	616,406	176,724	591,886	2,821,557	647,057
All other breadstuffs.....				31,469	48,747	18,524
<b>Total breadstuffs.....</b>				<b>874,979</b>	<b>3,512,207</b>	<b>896,673</b>
<b>Meat and dairy products:</b>						
Beef, canned.....lbs.	6,238	588,135	23,484	531	49,878	1,778
Salted, pickled, and cured.....lbs.	63,500	64,066	26,150	2,676	3,259	1,277
Tallow.....do.	40,268	717,506	618,505	2,068	29,674	24,285
Bacon.....do.	5,423,621	6,977,298	6,168,201	351,955	556,747	886,475
Hams.....do.	2,141,208	5,834,286	3,408,718	234,458	761,082	348,065
Pork, pickled.....do.	547,190	685,810	195,600	33,315	59,276	10,286
Lard.....do.	32,054,107	42,683,652	26,218,302	2,079,534	4,023,917	1,551,185
All other meat products.....				34,816	38,605	61,886
Butter.....lbs.	101,130	234,156	49,982	18,119	49,257	10,080
Cheese.....do.	90,275	225,421	42,896	12,910	32,494	7,508
Milk.....do.				17,226	46,347	63,852
<b>Total meat and dairy products.....</b>				<b>2,787,608</b>	<b>5,700,536</b>	<b>2,466,677</b>
	1891.	1893.	1896.			
Total exports from United States into Cuba.....	\$12,224,888	\$24,157,698	\$7,530,880			
Total imports into United States from Cuba.....	61,714,395	78,706,506	40,017,730			

## APPENDIX D.

*Cuba's imports for the fiscal year 1901.*

[From Commerce of the Island of Cuba, June, 1901, Division of Insular Affairs, War Department.]

	All countries.	From United States.
<b>Animals:</b>		
Cattle.....	\$7,351,864	\$1,260,176
Horses.....	490,353	208,193
Mules.....	344,336	208,678
Hogs.....	200,241	196,288
Sheep.....	5,472	4,199
All other animals.....	4,423	2,749
<b>Total animals.....</b>	<b>8,336,639</b>	<b>1,940,283</b>
<b>Breadstuffs:</b>		
Bread and biscuit.....	62,290	33,651
Barley.....	38,765	1,266
Bran and mill feed.....	66,252	66,252
Corn.....	785,797	781,334
Corn meal.....	9,036	8,826
Oats.....	133,163	132,358
Oatmeal.....	327	323
Macaroni and vermicelli.....	16,039	8,054
Rye.....	398	398
Wheat.....	470	450
Wheat flour.....	2,206,759	2,206,174
Wheat-flour foods.....	22,279	5,620
All other breadstuffs.....	13,174	4,236
<b>Total breadstuffs.....</b>	<b>3,354,749</b>	<b>3,248,942</b>

*Cuba's imports for the fiscal year 1901—Continued.*

	All countries.	From United States.
<b>Cotton, and manufactures of.....</b>	<b>\$6,068,241</b>	<b>\$464,816</b>
Eggs.....	550,451	549,296
Hides and skins, not fur.....	139,921	64,455
<b>Beef products:</b>		
Beef, canned.....	6,132	6,132
Beef, fresh.....	248,909	248,909
Beef, salted or pickled.....	53,344	53,344
Beef, jerked.....	1,916,043	706
Beef tallow.....	98	98
<b>Total beef products.....</b>	<b>2,224,526</b>	<b>309,179</b>
<b>Hog products:</b>		
Bacon.....	7,292	7,139
Hams and shoulders.....	704,906	657,031
Pork, canned.....	1,318	657
Pork, fresh.....	40,200	40,198
Pork, salted and pickled.....	995,463	995,049
Lard.....	2,986,236	2,981,053
Lard products.....	10,400	7,625
<b>Total hog products.....</b>	<b>4,745,815</b>	<b>4,689,052</b>
<b>Mutton.....</b>	<b>21,408</b>	<b>21,408</b>
<b>Oleomargarine.....</b>	<b>79,613</b>	<b>73,299</b>
<b>Imitation butter.....</b>	<b>76</b>	<b>76</b>
<b>Poultry and game.....</b>	<b>139,951</b>	<b>134,630</b>
<b>All other meat products.....</b>	<b>315,750</b>	<b>148,015</b>
<b>Total meat products.....</b>	<b>559,798</b>	<b>377,428</b>
<b>Dairy products:</b>		
Butter.....	108,293	23,319
Cheese.....	490,743	59,333
Condensed milk.....	502,675	402,666
<b>Total dairy products.....</b>	<b>1,071,611</b>	<b>485,318</b>
<b>Vegetables:</b>		
Beans and pease.....	779,533	471,076
Onions.....	279,230	37,194
Potatoes.....	512,799	281,198
Vegetables, canned.....	141,515	13,548
Dried pulse.....	247,750	5,722
All other vegetables.....	145,298	59,485
<b>Total vegetables.....</b>	<b>2,106,125</b>	<b>868,223</b>
<b>Wool, and manufactures of.....</b>	<b>686,689</b>	<b>22,006</b>
<b>Rice.....</b>	<b>3,335,721</b>	<b>3,702</b>
<b>Agricultural implements.....</b>	<b>283,322</b>	<b>210,920</b>
<b>Cars, carriages, etc.....</b>	<b>448,291</b>	<b>425,983</b>
<b>Iron and steel, and manufactures of.....</b>	<b>4,799,216</b>	<b>3,403,607</b>
<b>Boots and shoes.....</b>	<b>1,638,084</b>	<b>405,682</b>
<b>Total of all imports of island.....</b>	<b>66,264,767</b>	<b>28,561,141</b>

*Cuba's exports for the fiscal year 1901.*

	All countries.	To United States.
<b>Sugar and molasses:</b>		
Molasses.....	\$1,142,865	\$1,142,855
Sirup.....	215	208
Sugar, raw or brown.....	27,061,628	27,058,648
Sugar, refined.....	2,390	9
Candy and confectionery.....	17,857	11,179
<b>Total sugar and molasses.....</b>	<b>28,224,955</b>	<b>28,212,899</b>
<b>Tobacco, unmanufactured:</b>		
Leaf, wrappers.....	15,739,364	10,659,825
Stems and trimmings.....	540	540
All other.....	315,391	29,660
<b>Total unmanufactured tobacco.....</b>	<b>16,055,295</b>	<b>10,690,025</b>
<b>Manufactures of—</b>		
Cigars.....	12,466,891	2,564,601
Cigarettes.....	319,062	13,413
All other.....	66,806	7,754
<b>Total manufactures of tobacco.....</b>	<b>12,853,759</b>	<b>2,585,768</b>
<b>Total of all exports of island.....</b>	<b>64,245,801</b>	<b>45,891,832</b>

## MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. LANDIS having taken the chair, a message in writing from the President of the United States was communicated to the House of Representatives by Mr. CROOK, one of his secretaries.

## RECIPROCITY WITH CUBA.

The committee resumed its session.

Mr. SHAFROTH. Mr. Chairman, it is needless for me to say that I feel deeply upon the question involved in the bill pending before this House. I can not concur in the opinion of the proponents of this measure, that it is for the best interest of the Government, or that its benefits will accrue to the poor people of Cuba. To my mind there is something in this proposition which does



not appear upon its face. Although I have no doubt that our opponents are absolutely honest in their belief, yet, in view of the conduct of the American Sugar Refining Company in the past year, I can not but conclude that this measure is more in the interest of that company, commonly called the sugar trust, than of our own Government or the people of Cuba. In my judgment it is a continuation of the fight which the American Sugar Refining Company has been making to exterminate the beet-sugar industry of America.

The company has not used corrupt methods, but has applied far more effective weapons. It started a literary bureau, which disseminated throughout the United States articles that appealed for such legislation. Many newspapers which in some manner are under the influence of its members reiterated and approved the same. Commercial organizations which contained men who were interested in the company indorsed and resolved in favor of the same.

It started upon the proposition that a reduction of duty on Cuban sugar would reduce the price of sugar in the United States, and therefore would be in the interest of the consumer; that as the consumers constituted the entire population of the country, great benefits would accrue to the poor and laboring classes. Many disinterested newspapers, believing this plausible argument, advocated the proposition. Many of the people, thinking the statement true, approved the measure.

But, Mr. Chairman, the parties interested have all admitted before the Ways and Means Committee that such claim is not true; that the consumer will not get any benefit of the proposed 20 per cent reduction of duty on Cuban sugar, but the Cuban planter, or the purchaser thereof, will receive the advantage.

This literary bureau of the sugar-refining company next took the position that the people of Cuba were in distress and many of them at the point of starvation, which was reiterated by many papers of the country. Even the New York Herald, on February 9, 1902, began an editorial as follows:

Anarchy or annexation! One or the other is bound to result from further delay in granting relief to Cuba. While Congress potters and procrastinates the Cuban people starve.

This company knew that such an appeal would strike a responsive chord in the hearts not only of the members of Congress, but of the entire American people. It is no wonder that many of our best citizens regarded this as a most humane and meritorious measure.

But, sir, when the evidence was taken by the committee these claims were proven to be absolutely false. Even the witnesses appearing in behalf of the American Sugar Refining Company admitted that the price of labor in Cuba had risen 75 per cent since the Spanish-American war, and that everyone who wanted to work could find employment.

#### WAR ON BEET-SUGAR FACTORIES BY SUGAR TRUST.

These claims and positions indicate to me, perhaps more than to many other members of this House, that this is a trust measure, a movement in the attempt of the American Sugar Refining Company to crush out of existence the beet-sugar industry of this country, so that a complete monopoly of the sugars refined in the United States may be concentrated in its hands. Why does it so impress me? Because, Mr. Chairman, last fall this same company made a war—a war to the knife—against the beet-sugar industry of my State. It was then predicted that if it failed the next movement would be to procure legislation through Congress that would strengthen its own position and demonstrate to capital that conditions as to the beet-sugar industry are so unstable as to make it unsafe for further investments.

Three years ago there was not a pound of sugar raised in the State of Colorado. Last year we produced 20,000,000 pounds. Four factories are now producing sugar. Three sugar-beet factories are now in course of construction in the Congressional district I represent, ranging in cost from \$500,000 to \$1,000,000 each. Companies have the plans drawn and the capital raised to erect four more factories, but are waiting to see the result of this Congressional action, and whether the trust will permit them to live.

The beneficial effects to the farmers residing in the vicinity of these factories are marvelous. This is the one industry that promises to give some fair remuneration to the farmer of the West for his toil and labor. He can now hope to acquire a competence for old age. A large part of the value of the total produce goes to him for the beets he raises, and hence remains in his community.

In view of this development it was but natural that the people of the State of Colorado should take deep interest in and become aroused over the war of The American Sugar Refining Company against this young and promising industry.

Colorado having last year produced more sugar than she could consume was compelled to find a market beyond her borders. That market was naturally in the Missouri River Valley. The

agents of this industry went to the cities of that valley and negotiated sales for their product. They had to guarantee that sugar would not on the open market fall below the then selling price, which in Kansas City was \$5.23 per hundred pounds. The American Sugar Refining Company, thinking it could compel great losses to the Colorado factories upon those contracts, and thereby make the production of sugar by them unprofitable, ordered sales by the Kansas City agents, not at fair competitive prices, but at absolutely ruinous prices both to itself and the Colorado producers. That company ordered a cut in sugar to \$3.50 a hundred pounds, such a cut, I believe, as was never before made. This reduction, however, was only at the Missouri River cities where Colorado sugar had been sold. The price remained \$5.03 per hundred in New York, and still higher in Chicago, St. Louis, and the other parts of the country. The cut was made for the very purpose of ruining the beet-sugar industry of our State.

Mr. Chairman, I will now read a few extracts from papers, showing the purpose and intensity of that war of extermination. The following is from the Chicago Tribune of October 4, 1901:

#### DECLARES WAR ON BEET-SUGAR REFINERS.

War to the knife with the Colorado beet-sugar refiners was declared to-day by the American Sugar Refining Company.

The American Company's price at Kansas City has been 5.23 cents a pound. To-day it was reduced to 3½ cents a pound. The same cut applies to Missouri River points generally, only applying, however, to sections of the country in which beet sugar is in competition with cane sugar. The price made is below the cost of raw sugar, which, of course, means that the company will sustain a loss on its present sales in that section of the country. It is said that the reduction means that most of the beet-sugar factories will be compelled to market their product at a loss if they live up to the contracts they have recently made.

No change was made in American Sugar Refining Company's prices for Eastern markets to-day, and a difference of 1.10 cents a pound held between the price of the raw and the manufactured article. The New York price for raw sugar was quoted at 3½ cents a pound for centrifugal.

Mr. Chairman, it must be borne in mind that this ruinous competition was made by a company with millions at its command against individual refineries and factories which had just started and were in most instances heavily mortgaged. The next extract is from the Omaha Bee of October 10, 1901, which is as follows:

#### THE WAR ON BEET SUGAR.

The sugar trust is prosecuting its war on the beet-sugar industry with a vigor which plainly denotes a determination to destroy that industry if possible. The reduction in the price of granulated sugar for Missouri River points ordered by the trust last week was probably but the beginning of the war and is likely to be followed by further action on the part of the trust and its Western ally looking to the breaking down of the beet-sugar interest.

The trust may be in position to carry on the war much longer than the beet-sugar interest apparently believes, and there is no doubt the trust is prepared to make a very considerable sacrifice in order to break down the beet-sugar industry, which stands in the way of its scheme to secure the free admission of raw Cuban sugar. That is the inspiration of its present action, and it can be confidently predicted that it will continue the war until the question of our treatment of Cuban sugar shall have been determined.

The Springfield Republican remarks that the sugar war "is spreading out to envelop Congress and make of Cuba—its annexation or its admission to reciprocity with the United States—the ground of a most bitter industrial and political struggle. The sugar trust and the cane interest will stand for reciprocity or free trade with Cuba, and the beet-sugar association will fight this movement to the utmost limit of its resources."

There can be no mistaking the motive of the war on the beet-sugar industry. The trust has declared itself in favor of admitting Cuban raw sugar free and retaining the duty on refined. Under such a policy the domestic-sugar industry would be destroyed and the trust would secure complete and absolute control of the American market. If it can now seriously cripple the beet-sugar industry and discourage its further development it may achieve its object.

It will be observed that the prediction was then made that the sugar trust would continue the war by attempting to secure Congressional legislation which would strengthen its position and injure that of its opponents; that the sugar war would envelop Congress and make the very question before this House now "the ground of a most bitter industrial and political struggle." Is not the prediction almost prophecy?

The next extract is from the Boston Transcript of October 12, 1901, which is as follows:

#### THE WAR ON BEET SUGAR—TRUST MAY JOIN WITH THE CUBAN INTERESTS.

The action of the American Sugar Refining Company in making a radical reduction in the price of granulated sugar in the Missouri Valley may be regarded as a skirmish preliminary to the great battle between the cane and beet interests, of which the attitude of the United States toward Cuba is the objective point.

This action of the "trust" and such an interview are perhaps more significant than anything else in showing that the "trust" will doubtless make common cause with the Cuban sugar raisers in their warfare against the claims of the beet interests of the West. This gives a strong combination of commercial forces on one side against what is notably, especially in its political ramifications, a strong alliance on the other. Twenty-six States are said to be raising sugar beets, and 52 Senators are claimed as necessarily responsive to the beet interest.

Several years ago the American Sugar Refining Company could not be brought to see that there was any danger in beet-sugar competition. To-day its managers are fully alive to it, as their recent attack shows. That this was a wise move for them to make may be very much doubted. Popular sympathies are always against the "trust," and wherever one seems to be crushing out a local industry by temporarily lowering prices, strong local resentment is liable to result. It is unfortunate, therefore, to ally the cane-sugar cause with the "trust," even though it, as the great user of cane sugar, is naturally interested.

Here again we find the prediction made that the American Sugar

Refining Company will seek by Congressional action to better its condition in its effort to destroy the beet-sugar industry of America. Although these papers have no interest in these industries, yet they all declare the war is on and means ruin and destruction.

Mr. Chairman, this war upon the beet-sugar industry of Colorado was made in no other part of the United States. It was not waged against the Michigan sugar companies because the sugar trust thought it had more numerous and wealthy factories there with which to deal, but in Colorado, with but four factories, the trust believed it could strangle them in their infancy.

It goes without saying that when a war of this kind is waged the people of such State become aroused upon the subject and as one man condemn such aggression, and so it was in Colorado. Every paper in the State condemned this assault upon our industries. It was advocated by the press that the same treatment our forefathers gave in the colonial days to the products sent from England be given to the sugar trust; that the people should combine and agree not to use any sugar of the trust, no matter at what price it was offered for sale. The grocery stores of the State began to sign agreements not to purchase a single pound of sugar from the American Sugar Refining Company irrespective of tempting rates and terms, and had the cut in prices continued, I have no doubt the agreement would have been universally signed and rigidly enforced.

There is no one, Mr. Chairman, within the confines of my State, who indorses this bill. There is not a Democrat or a Republican there who approves this measure. This sentiment is universal, not only in the agricultural parts, but in the cities, the oil sections, and mining districts as well.

#### POLICY OF SUGAR TRUST AS TO COMPETITORS.

Mr. Chairman, I now want to call attention to the systematic action which the American Sugar Refining Company has always pursued with respect to its rivals; how it has time and again pursued its exterminating policy with success, until to-day it controls 90 per cent of the refined sugar of the United States; how it is now attempting to use the United States Congress in its battle against a home industry.

I read from the statement of Mr. F. R. Hathaway in the hearings before the Committee on Ways and Means on this measure, at page 225, relative to the testimony of Mr. Havemeyer, president of the American Sugar Refining Company, before the Industrial Commission:

The relief of Cuba is but an incident in the larger policy of the sugar trust to crush all competitors. The greatest competitor this organization has to fear is the beet-sugar industry of the North and West, which is developing with such rapidity as to astound the Eastern refiners. \* \* \*

What is the attitude of the sugar trust toward all competitors? On page 108 of the Report of the Industrial Commission on Trusts and Industrial Combinations, Mr. Havemeyer's testimony reads as follows:

Q. If you can make it unprofitable to them (other refiners) they will stop their sales, and in the long run the expectation is that the profit will be larger to your stockholders?

A. That would be the natural inference. Of course, it goes without saying, if we protect our own meetings, it can only be done under the condition of things that makes it unprofitable for our competitors, the real motive being the protection of our own business, and the result being an absence of profit to them.

"Again, from Mr. Havemeyer's testimony on page 120:

Q. Now, I also understood you to imply at least that it is the policy of the American Sugar Refining Company to crush out all competition if possible?

A. But that is not so; there is no such testimony. I understand it has been put in that form by one of the gentlemen, but it is not the fact. What I said was that it was the policy of the American Company to maintain and protect its trade, and if it resulted in crushing a competitor it is no concern of the American Company. If he gets in the press, that is his affair, not ours.

Q. And if anyone interferes with the business, profits, or competition of the American Sugar Refining Company, it is its policy to prevent it if possible?

A. By lowering profits to defy it.

Q. And if it results in crushing him out—

A. (Interrupting.) That is his affair.

Q. Not the affair of the American Sugar Refining Company?

A. No.

"Again, from Mr. Havemeyer's testimony, page 125:

Q. When you sell in this country, you control the price?

A. Yes, sir.

Q. And it (the trust) was organized, as I understand it, with a view of controlling the price and output to the people of this country?

A. That was one of the objects of consideration.

Q. And you have succeeded in doing it?

A. Yes, sir.

Q. That was the principal object in organizing the American Sugar Refining Company?

A. It may be said that was the principal object.

"This testimony was read to Mr. Havemeyer as having been given by him before the Lexow committee.

"On page 60 the Industrial Commission states: 'Mr. Havemeyer's testimony before the Lexow committee in 1896 was read to him and he stated that he stood by every word of it.' \* \* \*

"From the time of its organization down to the present the path of the American Sugar Refining Company has been strewn with the wrecks of its competitors. Sometimes these have been crushed and then bought up; sometimes they have been crushed

and allowed to remain where they were ruined. (See p. 45.) The same man who has guided the policy of the American Sugar Refining Company from its inception to the present still retains control. His power is as absolute as ever. His policy is plainly declared. The beet-sugar industry of the United States, his only rival, can expect no mercy at his hands. If he has the power he will crush it and coolly state, as he replied to the Industrial Commission, that such a result is not his affair.

"If the American Sugar Refining Company can crush out its competitors, will it then be able to control the sugar business of this country?

"On page 107 Mr. Havemeyer's testimony reads as follows:

Q. What proportion does your output form of the total output of the country now?

A. I have never been able to get at those figures, but I should say about 90 per cent.

Q. You think about 90 per cent of America?

A. That is not of the capacity, but of the output. The fact is that these refineries are not working full.

Q. Does the American Sugar Refining Company itself have a capacity enough to supply the total demand if it were not for the opposition? Your company could easily supply the total demand at the present capacity?

A. The demand and 20 per cent in excess.

"On page 60 the Industrial Commission quotes from Mr. Havemeyer's testimony before the Lexow committee as follows:

It goes without saying that a man who produces 80 per cent of an article can control the price by not producing.

This evidence shows that in 1899 Mr. Havemeyer was not only able to supply the entire consumption of sugar in the United States from refineries owned by him, but without increasing their capacity could supply 20 per cent more than the people of the United States could use.

If the sugar trust secures the absolute control of the American market, what will be its policy toward the consumer?

"On page 112 Mr. Havemeyer states:

We maintain that when we reduced the cost we were entitled to the profit, and that it was none of the public's business.

"On page 117 Mr. Havemeyer's testimony reads as follows:

Q. I say he (the consumer) may be benefited temporarily for six months or a year, but if, after the crushing out has taken place, you then, as you said in your testimony, resume a margin of profit which you consider is the right thing, and that is the only thing you were governed by, I ask you then whether the consumer will be materially benefited or not?

A. Is he not benefited to the extent of the reduction of the prices during the fight?

Q. He is; but if he has to pay double or three times the price after the fight is ended I fail to see where he is benefited.

A. He is not if he has to pay that.

Q. I understood you to say when the war was ended you evened up?

A. Yes.

Q. The price you put on was for the benefit of the stockholder?

A. Yes.

Q. Do you think it is fair that the customer should pay a dividend to your company on brands, good will, etc.?

A. I think it is fair to get out of the customer all you can consistent with the business proposition.

Q. You state that as an ethical proposition before this Commission, and you have to stand on that ethical position for fair play. Now, I want to know if you think—you stated that the consumer received the benefits of this consolidation of industry—it a fair ethical position, independent of the business view you put on it, that the consumer should pay dividends on this \$25,000,000 of overcapitalization?

A. I do not care 2 cents for your ethics. I do not know enough of them to apply them. \* \* \*

"The Industrial Commission, on page 46, sums up the effect of Mr. Havemeyer's position on prices as follows:

On the whole, the chart seems to make it perfectly evident that the sugar combination has raised the price of refined sugar beyond the rates in vogue during the period of active competition before the formation of the sugar trust and the two competitive periods during its existence.

#### CAPITALIZATION.

The report of the Industrial Commission, page 123, shows that the original capital stock of the 15 or 16 companies that were merged into the sugar trust in 1887 was \$5,500,000. When the new company was organized it was capitalized at \$50,000,000, half of which was preferred and half common stock. (See page 124.)

During the years 1890 and 1891 the active competition against the American Sugar Refining Company was so keen that an additional issue of stock, amounting to \$25,000,000, was made, in order to buy up all the other sugar refineries. (See page 43.) The capital stock of \$75,000,000 remained until 1901, when, according to newspaper statements, the stock was increased to \$90,000,000. Now, new refineries have, however, been erected since the last issue of stock. The purpose for which this stock was issued is not plain, but in many quarters it is supposed that the major part of the new \$15,000,000 was to be used in Cuban investments. We are, however, unable to substantiate this rumor.

On page 111 Mr. Havemeyer states that his refineries could be rebuilt new at a cost of from \$50,000,000 to \$50,000,000.

Mr. Post, on pages 151 and 152, estimates that the cost of rebuilding the American Sugar Refining plants new would cost even less.

Upon the testimony of Mr. Havemeyer we base our conclusion that there is from \$50,000,000 to \$80,000,000 water in its present capitalization.

The Industrial Commission finds, page 43, that the dividends on the stock of the American Sugar Refining Company since 1891, for each year, have been 7 per cent on preferred stock and average 12 per cent on common stock. The dividends on common stock range from 4 per cent, the year the company was formed, to 21 per cent in 1893. (See page 43.)

Mr. Chairman, this evidence shows that the American Sugar Refining Company from the time of its incorporation to the present has pursued an unrelenting war of subjugation or extermination against every company that attempted to enter into the business of refining sugar. Sir, not content with sharing the markets with other companies, which were equally entitled to the same;



not satisfied with competition within the margin of profit, the life of trade, but using the full power of its \$90,000,000 of capital, it has, at enormous expense, inflicted such losses upon rival enterprises as produced the only alternative of ruin or surrender. There is no justification for such rule or ruin policy. Almost as well might we justify one body of men crippling the limbs of their rivals so as effectually to prevent competition in labor.

\* The consolidation of these factories means no good to the consumer of sugar. The evidence shows a profit as high as 21½ per cent on common stock in one year upon a capital of \$50,000,000, when the aggregate capital of the refineries consolidated amounted only to \$6,500,000, or more than 100 per cent in one year. Although the selling quotation of sugar is reduced during the fight, yet after it is over the loss is made good by increased prices.

The fact that the present price of the stock of the American Sugar Refining Company is \$115,000,000, when their plants could be duplicated for \$35,000,000, shows what large profits it makes in refining sugar.

Mr. Chairman, that is the kind of competition the beet-sugar industry is compelled to fight for existence. The ruinous cut on sugar in the Kansas City market was simply carrying out the general policy of the company. Is it any wonder that having failed in their Missouri River Valley war it should bend all the energies of its literary bureau and the newspapers subject to its influence toward forcing through Congress a measure that will add millions to its treasury, strengthen its attitude in this contest, and render unstable and weak the position of its opponents?

These are the reasons why I believe this is more of a trust measure than legislation for the people.

#### ARE WE UNDER A MORAL OBLIGATION TO CUBA?

Mr. Chairman, they tell us that the United States is under a moral obligation to Cuba to relieve her distress. By what facts or principle of the moral law do they justify such an obligation? It is said the Platt amendment imposes such a duty, but when we examine the provisions of that legislation we fail to find any stipulation or inference that will justify such a contention.

The first provision of that law is that Cuba shall not make any treaty impairing its own independence; the second is that she shall not contract any debt greater than her revenues in time can liquidate; the third is that we can intervene to preserve Cuban independence and government; the fourth validates the acts of our Government in Cuba during our occupation; the fifth is that Cuba shall extend the work of sanitation; the sixth is that the Isle of Pines shall be omitted from the boundaries of Cuba; the seventh provides that Cuba shall sell or lease to us land for coaling or naval stations; the eighth is that Cuba shall embody these provisions in her constitution.

Where is there an inference of obligation in any of these provisions? We have not deprived Cuba of any market she had prior to our intervention. We do not restrict Cuba in the slightest in the formation of any commercial treaty she may deem it expedient to make.

But, sir, the obligation is all on the other side. What have we done for these people? We have intervened at their instance and request to relieve them from the tyranny and oppression of Spain. We have given to them just what they wanted, liberty and freedom and a government of their own. We have expended in order to give them these blessings more than \$250,000,000. But that is not all we have done for them. Spain had contracted a public debt of \$300,000,000 which was specified should be payable out of the revenues of that island. By the treaty of Paris we wipe out that obligation on the part of Cuba. Thus we see we have expended out of our own Treasury for the benefit of Cuba \$250,000,000, and saved to that government the payment of \$300,000,000 of bonds which Spain would have forced her to pay.

Mr. LITTLEFIELD. Three hundred and thirty million dollars.

Mr. SHAFROTH. I thank the gentleman. I have always heard it referred to as \$300,000,000. We have paid for and saved to each man, woman, and child of Cuba nearly \$400. We have never been so generous to our own people.

In addition, we voted out of our Treasury \$3,000,000 to relieve the distress, suffering, and starvation of the poor of that island. And above all, for the cause of that people, we have sacrificed on the field of battle and by disease many of the bravest and best of the youth of our land. The moral obligation is all on the part of Cuba and not the United States.

#### REDUCTION OF DUTY ON CUBAN SUGAR WILL NOT BENEFIT THE CONSUMER.

It has been admitted in this debate that the passage of this bill making a reduction of 20 per cent on imports from Cuba will not affect the price of sugar in the United States. And yet I presume there are some who do not see why that is true. The reason is, because there is an international market price for sugar. Hamburg is the great sugar market of the world. The market price at Hamburg determines the price of sugar in every other country.

The New York price is the Hamburg price plus freight and

duties. The Cuban price is the New York price less freight, duty, and refining charges. It is impossible for two sugars of the same grade to sell in the New York market at different prices. The Cuban sugar can not pull down the price of the Hamburg sugar, because it is small in quantity compared to the world's supply, and the Hamburg price is determined by the world's demand for and supply of sugar, including that raised in Cuba. As Cuban sugar can not pull down the price of Hamburg sugar, and as sugars of the same grade can not sell in the same market at different prices, the irresistible conclusion is that Cuban sugar in the New York market will be elevated to the price of the Hamburg sugar. If the production of Cuban sugar, together with our domestic sugar, were more than sufficient to supply our demand, so that we would not be compelled to buy any from the Hamburg market, then the admission of Cuban sugar at reduced duty or free would affect the price in New York, and the consumer would derive a benefit from the same. But that is not the case.

Our consumption of sugar this year will be 2,500,000 tons. There will be supplied by—

	Tons.
Cuba, about.....	850,000
Porto Rico, about.....	150,000
Hawaiian Islands, about.....	350,000
United States, about.....	350,000
Total.....	1,700,000
Leaving to be purchased from Hamburg.....	800,000

All of the 800,000 tons from the Hamburg or other market subject to its influence must pay the full tariff rates and hence must sell at the Hamburg price plus freight and duties.

We are familiar with this economic truth when applied to wheat or cotton. The world's market for those commodities is at Liverpool. The price of wheat or cotton at any point in the United States can be ascertained by deducting from the Liverpool price the cost of transportation.

Mr. Havemeyer himself published a statement in the Boston Herald of January 21, 1902, in which he used the following language:

The American Sugar Refining Company's attitude has been merely to place before the public the operation of the tariff laws on sugar, in the hope that Congress would remove the entire duty on raw sugar. Any partial removal in favor of any country would accrue entirely to that country and not to the consumers of sugar in the United States.

The chairman of the Committee on Ways and Means in his report on this bill made the following statement:

All the experts who were called before the committee admit that the price of sugar will not be less to the consumer on account of the 20 per cent reduction proposed.

All the minority reports upon this bill also admit the same thing. Therefore it seems to me conclusive that the consumer in the United States will not get any benefit from a reduction of the duty on Cuban sugar authorized by this bill.

It is asked by some, If that is true why do those who represent States in which sugar is produced object to the enactment of this legislation? The answer is, because the passage of this bill will terrorize capitalists seeking investment in the beet-sugar industries—make them believe that conditions as to beet sugar are unstable and therefore unsafe for investment.

Because it will stimulate the production of sugar in Cuba, which might, if the provisions of this bill were extended some years after January 1, 1904—the date of its expiration—cause Cuba to supply our entire market to the extinction of our own product. The testimony shows that Cuban lands when fully developed are capable of producing 4,000,000 tons of sugar.

Because it will amount to a donation out of the United States Treasury of a large sum of money.

#### A GIFT OF FROM \$7,000,000 TO \$8,000,000.

The amount lost to the revenues of this Government by reason of the passage of this measure will be between seven and eight millions of dollars per annum, or from fourteen to sixteen millions during the time of the operation of this bill. Inasmuch as the sole market for the surplus Cuban sugar is now and always has been the United States, that product is bound to come to this country whether this legislation is enacted or not, hence a reduction in duty on Cuban sugar is a loss of just that much to the revenues of our Government. The chairman of the Committee on Ways and Means in his report says:

The reduction of 20 per cent proposed in this bill means a loss of revenue of between seven and eight million dollars.

The reduction of 40 per cent would make a loss of twice that sum.

The benefit of that reduction therefore is equivalent to a rebate or gift out of the public Treasury.

#### NO DISTRESS OF THE POOR IN CUBA.

Mr. Chairman, a few months ago it was claimed that the poor of Cuba were in distress at the point of starvation, and that every impulse of humanity should prompt us to vote legislation such as this to relieve them. No people at the point of starvation have ever

appealed to the United States in vain, and never will, but the evidence is conclusive that no suffering exists in Cuba.

I want to read the testimony of the witnesses appearing before the Ways and Means Committee in favor of this bill upon this question.

Mr. Edwin F. Atkins, a merchant, sugar planter, and stockholder in the American Sugar Refining Company, at page 18, testified as follows:

Mr. TAWNEY. Are they import agents for the Sugar Refining Company or sugar trust?

Mr. ATKINS. No, sir. The trust imports its own sugar, where it is imported at all. They have no agent.

Mr. TAWNEY. They are sugar brokers in New York?

Mr. ATKINS. Yes, sir.

The CHAIRMAN. You have just said, in reply to Mr. METCALF, that your sugar business in Cuba has been profitable. Was it profitable last year?

Mr. ATKINS. It was profitable last year. I do not deny it, sir; and if you will allow me to make a statement here—

The CHAIRMAN. Of course you can make any statement you desire in answer to a question.

Mr. ATKINS. I do not deny I made money in Cuba last year. I do not think that is anything to my discredit. But the average planter in Cuba last year, I am assured by the very best authorities of the island, did not make money out of last year's operations, but barely covered the cost of its production.

Mr. COOPER. What is the difference in the price of wages there now and the price of wages before the war?

Mr. ATKINS. Before the war, during the insurrection, wages were very low indeed. The price of wages at the present time—well, I should think that they had increased 75 per cent, but wages before the war, during the three years of the insurrection, were abnormally low.

Mr. ROBERTSON. I understood you paid \$23 for twenty-six days' work.

Mr. ATKINS. That is about the average on my place.

Mr. RUSSELL. And you mentioned other localities and plantations where they paid \$1 a day.

Mr. ATKINS. Exactly; and that is \$26 for twenty-six days' work.

Mr. RUSSELL. Then you certainly pay less than they do?

Mr. ATKINS. I pay less than they pay, but I pay more than gentlemen from the provinces of Habana and Matanzas.

Mr. RUSSELL. How much more?

Mr. ATKINS. Mr. Mendoza says the rate I spoke of is \$3 higher than he pays.

Mr. RUSSELL. You are paying what might be considered the average rate?

Mr. ATKINS. I think I am paying the average rate on the island.

Mr. Miguel G. De Mendoza, Cuban commissioner on economic affairs and sugar planter, at page 66 of the hearings before the Ways and Means Committee, testified as follows:

Mr. TAWNEY. Is labor generally employed on the island outside of Habana?

Mr. MENDOZA. Sir?

Mr. TAWNEY. Is the laboring class more generally employed on the island outside of Habana?

Mr. MENDOZA. It is. All the sugar plantations are working by this time. They are all employed. There is plenty of work for the workmen in Cuba to-day.

Mr. TAWNEY. And at good wages?

Mr. MENDOZA. Well, not very good, because the wages in Cuba increase according to the price of sugar. When sugar is low we can not afford to pay high wages.

Mr. TAWNEY. They are paying now for common laborers as high as \$30 per month, are they not?

Mr. MENDOZA. In some places in the island, but not in all. In the eastern part of the island, which is less populated, the wages of labor are higher.

Col. T. S. Bliss, United States Army, collector of the port at Habana, at pages 389, 392, and 399 of said hearings, gave evidence as follows:

Mr. METCALF. Is there any distress at the present time in the island of Cuba, Colonel?

Colonel BLISS. Any distress? No, sir.

Mr. METCALF. The people are all employed?

Colonel BLISS. Yes, sir; I should say that there was no distress whatever, from all I have seen.

Mr. RUSSELL. Is there any distress in any industry in the island of Cuba except the sugar industry?

Colonel BLISS. I should say not.

Mr. NEWLANDS. As I understand it, the labor in Cuba is at present well employed and at good wages.

Colonel BLISS. Yes, sir.

Mr. NEWLANDS. That means that the present production of sugar utilizes all the labor that now exists in Cuba, does it not?

Colonel BLISS. Yes, sir.

Mr. TAWNEY. You have said that labor there is employed, all over the island. In what does this distress of which you speak consist?

Colonel BLISS. I have not spoken of any distress, except to deny that any existed, so far as I knew. It is a long time since I have seen anyone begging on the streets, or anybody who wanted to work who was not at work at good wages.

The testimony of these men, especially when not contradicted, ought to settle conclusively that the poor in Cuba are not in distress, but are in better condition than they have ever been in the history of the island. In fact there has been such a shortage in labor there that 60,000 laborers were imported to supply the market.

SHOULD WE RELIEVE FOREIGN PLANTERS FROM LOSSES IN SPECULATIVE VENTURES?

But, sir, it is now said that the price of sugar in Cuba is below the cost of production; that her plantations are mortgaged, and her sugar crop pledged to secure debts bearing interest at from 8 to 18 per cent per annum; that she is on the eve of a financial panic, and that we should relieve this condition by the passage of this bill.

Some gentlemen have, in our presence, even made a calculation showing just how much of a reduction we ought to make in order to prevent loss to the Cuban planters and give them a small profit.

This condition is much to be regretted, but it is no fault of ours. This situation is not due to any legislation upon the part of this Government, but is due to the overproduction of sugar in the world, caused largely by the action of the European governments in granting bounties for the raising of beet sugar.

Is there any reason that we should vote revenues out of our own Treasury to relieve such distress in a foreign country, when we have never done it for our own people? Charity should begin at home. When corn was selling at 8, 9, and 10 cents per bushel in Kansas a few years ago, which was below the cost of production, did Congress vote money to make good those losses? Did even a Kansas Representative in this House suggest a measure that squinted at giving these farmers a donation from the Treasury of the United States? When cotton was selling in the South at 4½ cents a pound no Southern Representative made the suggestion that on account of the wealth and generosity of the American people Congress should save the cotton planters from loss upon their crops.

Mr. Chairman, there never was a people that had so much distress inflicted upon them in times of peace as the people of the State of Colorado in 1893. This condition was directly caused by legislation upon the silver question by the American Congress.

A thousand silver mines were shut down by reason of the drop in the price of silver, caused by the legislation of that body. Ten thousand men were thrown out of employment and left the State because the mines could not be operated at a profit. The production of silver being at that time the leading industry of that State, naturally it was the main support of the value of all the real estate of her cities. The drop in the price of silver was followed almost instantaneously by enormous depreciation in the value of her property. Owners of real estate, who had no fear of the little mortgages upon their premises, suddenly found themselves bankrupts.

Although this distress and suffering were inflicted by reason of legislation of this body, yet no one ever suggested that the Treasury of the United States should be opened to reimburse the mine owners who had suffered loss nor the miners who were thrown out of employment by reason of that great calamity. We did not then relieve our own miners who had ventured their all in mining properties. Should we now relieve foreign planters who have met with losses in a speculative venture in sugar lands?

WHO WILL GET THE \$7,000,000 OR \$8,000,000 OF THE FIRST YEAR?

But, sir, that is not the worst feature of this proposition. Who will get the seven or eight million dollars that is proposed we shall take from the revenues of this Government the first year. The laborer can not get it, because the crop has been harvested, the raw sugar produced, and he has been paid his wages.

Most of the planters can not get any of the amount this year, because by the time this bill passes the Senate and the Cuban legislature meets and enacts the necessary laws in acceptance of this bill almost the entire sugar crop of Cuba will be in the hands of the purchaser.

The testimony at first was that to relieve the planter it was necessary that this legislation should be enacted by March 1, 1902. The testimony shows that there are no sugar refineries in Cuba and that the American Sugar Refining Company is the sole customer of that commodity.

So it seems conclusive that the sugar trust will get at least nine-tenths of the first year's benefit of this legislation.

WHO WILL GET THE BENEFIT OF THE SECOND YEAR'S REDUCTION?

It is said the planters will receive the advantages of this measure next year. Most of the cane grown in Cuba is raised on large plantations which are chiefly owned by Spaniards. Some large plantations are owned by Americans, among whom are stockholders of the American Sugar Refining Company.

Mr. BISHOP. Has the gentleman made any investigation as to how much of this sugar land in Cuba is owned by Spaniards living outside of Cuba and by people living in the United States?

Mr. SHAFROTH. More than two-thirds of the lands, I understand, are owned by the Spaniards and Americans, but as to where they live I do not know. Of such lands the Spaniards own more than twice as much as the Americans.

But I want to show that of the \$7,000,000 or \$8,000,000 of revenue to be taken from the Treasury next year the American Sugar Refining Company will get the major part.

It is conceded by Mr. Havemeyer that his company is the sole purchaser of Cuban sugar, which is bought at Havana and other points in the island. The sugar is not marketed by the planter at New York, but even if it were he would find only the same customer there.

In the negotiations for sugar, of course the American Sugar



Refining Company will endeavor to buy as cheap as it can and get as much of the benefit of this reduction of duty as possible. The Cuban planter will try to do the same thing. Which is in the better position, which more likely to gain advantage in the negotiations?

The American Sugar Refining Company has a capital of \$90,000,000, which is worth to-day on the stock market \$115,000,000. The planters, according to the testimony, have mortgages on their plantations upon which they are paying large rates of interest. Which party is in the better position to dictate terms? The agent of the American Sugar Refining Company will go to the planter and say, "I will pay you the same price for sugar as I have been giving." The sugar producer will say, "No; since my former sales a 20 per cent reduction in duty on Cuban sugar has been made by the United States, and I should have the benefit of the same." The agent will respond, "I do not care to buy to-day." The sugar trust has the world's market in which it can buy raw sugar. The Cuban planter has no other market than America in which to sell and no other customer than the American Sugar Refining Company to whom he can sell. Which can hold out the longer? The American Sugar Refining Company, with its millions, can wait. The planter, with interest at ruinous rates accumulating, must sell. A compromise will be effected, but the company will get the greater part of the 20 per cent reduction.

Thus this measure means that under the plea of relieving distress in Cuba nine-tenths of the millions of the revenue donated by this bill for this year and more than half for the next year will go into the pockets of the American Sugar Refining Company. If a greater reduction is made, the greater the benefit the trust will receive. Is not that too much of a bonus to give in order that a small portion may reach some speculative planters in Cuba who may now be in distress? Will not this bonus strengthen the arm of a company, which, by reason of its monopolizing the sugar market, has added sixty millions of watered stock to its capital, and which has used the full force of that capital and will use the full power of this bonus to exterminate the individual beet-sugar factories of the United States?

No surer indication that the larger part of the revenues appropriated in this bill will find their way into the coffers of the American Sugar Refining Company can be found than the effect this bill has had on the stock of that company.

It was on March 18, 1902, that the majority of the Republicans on the Ways and Means Committee approved this bill. The increase in the value of the stock of this company by reason thereof is shown in the following:

COMMON STOCK.	
\$45,000,000, at \$116.50 a share in January, 1902.....	\$52,425,000.00
Same stock at \$133.50 a share March 22.....	60,075,000.00
Net increase.....	7,650,000.00
PREFERRED STOCK.	
\$45,000,000, at \$115 a share in January.....	\$51,750,000.00
Same stock at \$119.50 a share March 22.....	53,775,000.00
Net increase.....	2,025,000.00
COMMON AND PREFERRED.	
Total increase in valuation of both common and preferred stock since first week in January.....	\$9,675,000.00

The papers of New York City, which are almost all in favor of this measure, indicate the cause of the increase in the value of that stock. The following are some of the views:

Sugar jumped up on the many protests that more than a 20 per cent reduction on raws from Cuba should be granted. Of course, the larger the cut on raw-sugar duties the larger the benefits to the sugar trust. What refiners of cane sugar in New York want is a lower duty on the raw material, so that they can crush out the domestic beet-sugar industry more easily. (New York Press, March 21.)

Sugar refining reacted sharply in the early trading under pool realizing. The stock was stimulated in the later trading on buying orders executed by houses with Washington connections, and reports of a 33 1/3 per cent reduction on Cuban sugar, instead of 20, in the reciprocity treaty were circulated. (New York Herald, March 21.)

American sugar.—The expectation (now almost a certainty) of the reduction in the duty on Cuban sugar has been the chief bull argument on sugar-trust stock, which has advanced on buying by Washington and sugar-trust interests. The sudden upward movement on Friday was coincident with a five-point advance in the price of refined sugar. (New York Times, March 22.)

The stock brokers' advice of Messrs. Haight & Freese Company, of New York, of February 15, 1902, is as follows:

#### THE COMING SUGAR STRUGGLE AT WASHINGTON.

FEBRUARY 15, 1902.

DEAR SIR: All eyes interested in sugar are centered on Washington for first indications as to what will be done relative to duties, the subject coming up in the interest of Cuba. Sugar is one of Cuba's greatest products, and the American duty thereon will have the greatest importance and bearing upon many interests, notably the American Sugar Refining Company. The question is, Will the United States reduce the present duty 25 per cent or thereabouts on sugar coming from Cuba or will it let matters rest as they are? Opposed to the action is the beet-sugar interest. In favor of it are the \* \* \* President and the interests of the American Sugar Refining Company.

If the measure goes through Congress and becomes operative, the stock of the American Sugar Refining Company will have a tremendous rise and easily gross 150; if it fails, the stock would undoubtedly suffer quite an ex-

tensive decline. If the reduction becomes a law, the primary beneficiary would be the American Sugar Company, inasmuch as they would be in possession of the raw sugar instead of the planter.

Mr. Chairman, these facts ought to demonstrate to all that the American Sugar Refining Company will receive the greater part of the benefits extended by the passage of this measure.

#### NO ADVANTAGE IN RECIPROCITY WITH CUBA.

This bill provides that until January 1, 1904, we shall reduce the duty on our Cuban imports 20 per cent and Cuba shall reduce her duty the same amount on our exports to her. Nearly all our import from Cuba is sugar. We buy from that island three times as much as she buys from us. Her tariff rate now is on the average 21 per cent of the value of her imports.

Twenty per cent reduction on the rate will therefore be only 4 per cent of value, which is not a sufficient advantage to appreciably increase our sales in that country. We now have with Cuba all the trade which naturally belongs to us. She is buying our wheat, flour, beef, bacon, machinery, and other commodities and articles we export to foreign countries. Her reduction of duty will not cause her people to buy appreciably any more than they do now. Our producers will not get the benefit of the Cuban duty reduction, because the Cuban market for our products is too small to affect the world's price, at which we sell all our products shipped to that island, but the Cuban people themselves will obtain the benefit of the same.

Thus it seems that the reciprocity feature of this bill will be of very little advantage to our trade. But even if otherwise, it would be simply swapping off the prospects of almost the only industry from which the farmers derive an advantage from the tariff in order to give some trade concessions to manufactured articles which are already heavily protected and to the protected steel trust which sells steel at home at \$1.65 per hundred and in foreign countries at 95 cents for the same quantity.

#### CONCLUSIONS.

Mr. Chairman, I have endeavored to show—

First. That the sentiment in behalf of this measure has been produced by the literary bureau of the American Sugar Refining Company by the assumption of conditions that did not exist; that the passage of this bill will result in a victory for that company in its war of extermination against the beet-sugar industry of this country.

Second. That there is no obligation, moral or legal, upon the United States to give any advantages or revenues to Cuba or her people.

Third. That there is no suffering among the poor in that island, that her workmen are receiving higher wages than ever before, and that every man there who wants work can obtain employment.

Fourth. That the consumer in the United States will not receive the benefit of the proposed reduction in the duty on sugar.

Fifth. That this legislation will produce a check in the development of the sugar-beet industry of this country.

Sixth. That of the revenues lost to the Government by reason of the reduction of duty, authorized in this bill nine-tenths of the same for this year and more than half for next year will go directly to the American Sugar Refining Company.

Seventh. That the balance of the revenues so lost will go into the pockets of foreign planters who have failed in their venture to make fortunes out of Cuban sugar lands.

Eighth. That the 20 per cent reduction of Cuba's tariff can not appreciably increase our trade, but the benefits therefrom will accrue to the Cuban consumers and not to the American producers.

For these reasons I maintain the bill should be defeated.

Mr. Chairman, this measure will result in placing the sinews of war in the hands of a company which will use them to exterminate a legitimate American industry. I appeal to you in the name of justice and right not to aid a monopoly in its determination to annihilate an industry which promises to give fair remuneration to the farmer for his toil and labor. Instead of standing for a monopoly and foreign planters, let us stand by our own Treasury and by our own people. [Applause.]

Mr. HENRY of Mississippi. Mr. Chairman, this bill is a most unsatisfactory one. It is unsatisfactory to those who raise the beet from which the beet sugar is made; it is unsatisfactory to those who make the sugar from the beet; it is unsatisfactory to those who raise sugar cane in the United States; it is unsatisfactory to some of the Republicans who do not desire a reduction of tariff in any form, and it is unsatisfactory in an entirety to the Democratic party and the Democratic members of this House, because while it is a reduction of the tariff it does not in any manner reduce it as it should, and, I might add, my speech on this question may be most unsatisfactory to the Republicans and some Democrats. The Democratic platform last promulgated, a portion of which I quote, reads as follows:

#### PLEDGE TO CUBA.

We demand the prompt and honest fulfillment of our pledge to the Cuban people and the world; that the United States has no disposition or intention



to exercise sovereignty, jurisdiction, or control over the island of Cuba, except for its pacification. The war ended nearly two years ago, profound peace reigns over all the island, and still the Administration keeps the government of the island from its people, while Republican carpetbag officials plunder its revenues and exploit the colonial theory, to the disgrace of the American people.

This is my law until a new declaration of principle is announced, and, as you see, declares that this Government should get out of Cuba as hastily as possible, which has been held far too long, and that we should do all in our power to help Cuba become a great republic, standing independent and alone, but with the flag of the Monroe doctrine floating over its land, not as a menace to Cuba and its citizens, but announcing to the world our determination to uphold the Monroe doctrine. In that same platform, which I take as my creed, we declare against the present tariff law—the Dingley tariff. Here is what it says:

We condemn the Dingley tariff law as a trust-breeding measure, skillfully devised to give the few favors which they do not deserve and to place upon the many burdens which they should not bear.

We state that the Dingley tariff was a hurt and an injury to all the people. We ask for a reduction of the tariff. We now have at last, even as Democrats, an opportunity—even though it be but a small step—it is a chance to reduce that tariff. As a Democrat I therefore see no reason for us to do other than support this bill, which I submit is not a good one, which we know is not satisfactory, but which in a manner tends toward the end that Democracy has taught us to try and reach. I hope we Democrats will have an opportunity to vote for an amendment to this present measure giving a greater reduction than that presented and also taking the tariff off refined sugar.

There have been discussions on the other side of this House by the leaders from which I am led to hope that they have reached the dividing of the ways. I am led to believe that they see the handwriting upon the wall. I am led to believe that they see, and that they know, that the time has come when they must have a reduction of the tariff, not only on raw sugar, but on many other articles which they now protect. It looks to me, if we may judge by their speeches, that they are preparing for the fall that is bound to come to them, and that they are paving the way for the future. The Republicans are making this move, I believe, in order that they may, when the next campaign comes on, hold up this bill, however iniquitous it may be in its shortcomings, and say that upon this occasion, in the House of Representatives, they urged this reduction as a forerunner of what was to come hereafter, and they will be delighted to have us fight it. Let us not please them. No, my friends, this measure is a raking of straw in order that their fall may be softened.

Simply because it is a Republican measure and emanates from the Republican side of the House, are we as Democrats to refuse it? Are we to say that we will not help you even though you go our way and go our road—the right way as is laid down in the Democratic platform? I for one am unwilling to say that, and I stand here as a Democrat and openly declare that I will not be driven from the right, even though the Republican party leads. If the Republican side of the House is willing to go my way, I am glad to help them in my humble way. The perturbed condition of the minds of some of the members on the other side who are against this bill is really pleasing to observe; they are making apologies for this measure, as if to say that they are the better Republicans, a rather "I am holier than thou" kind of spectacle. It matters not to me who is the better, and criminations and recriminations will not avail them. I am indifferent as to which is the better Republican.

I know that this measure is unsatisfactory to them, but they are wise, they are astute, and they swallow the pill. I doubt not that, while they have their ruptures and differences on this matter, that when it comes to the time to vote upon any other question that may come up before this House they will get together and stand together in a solid phalanx, as they usually do, much to the regret of Democrats. They know how to lay down; as a rule, they sacrifice their ideas and opinions and indorse party measures. This bill is not satisfactory, Mr. Chairman, to the President of the United States. I say that because I judge him by his printed words sent to this Congress, when the President of the United States, in his message to Congress, said—I read from his message:

In the case of Cuba, however, there are weighty reasons of morality and of national interest why the policy should be held to have a peculiar application, and I earnestly ask your attention to the wisdom, indeed to the vital need, of providing for a substantial reduction in the tariff duty on Cuban imports into the United States.

This is not a substantial reduction; this is not the reduction the Cubans deserve, nor what they should get, nor what Democrats would give. Quoting further the President says:

Cuba has in her constitution affirmed what we desired—that she should stand, in international matters, in closer and more friendly relations with us than with any other power—and we are bound by every consideration of

honor and expediency to pass commercial measures in the interest of her material well-being.

That, sir, is from the President of the United States. I, as a Democrat, say that is good, sound doctrine; I, a Democrat, say that it is right, that it is just, and I, a Democrat, commend the President of the United States for his utterance. I say this bill is not satisfactory to him, if he intended what he wrote, and I believe that he did. It is not satisfactory to him because, being bound by every consideration to help Cuba, it does not, as he says it should, to any considerable extent. He desires no such paltry reduction as this. His party leaders, however, prevailed on him, so rumor says, to accept this little.

Now, Mr. Chairman, the argument of the gentleman from New York, Mr. PAYNE, the chairman of the Ways and Means Committee, is perfectly satisfactory, I doubt not, to the great trust of this country. It is not satisfactory to me, because I desire to bring the trust down on a level with the rest of the people. But he declares that it does not injure the trust, and I confess that I do not see that it helps them, for if I did no one would do more than I would to defeat the bill. He says that he would not commit any act that would injure the sugar trust. That is perfectly patent and reasonably plain, judging him by his party, and, too, we have his word for it. He says that it will not injure the trust, but that it will help Cuba, and he is willing to take \$8,000,000 from the people and give to Cuba, but he is not willing, he says in effect, to take the \$8,000,000 from the trust and give it to Cuba. So far as I am concerned, I would much rather that we get the \$8,000,000 from the trust and give it to Cuba than to take it from the people. But, sirs, we can not get it from the trust. Oh, no; we can not hope for that under Republican rule. They are helped and aided by the Republican party, and that party is in power, and we can not hope to hurt them in any way, unless we can prove to the American people that the trust controls the prices and also the present Republican party, which seems to be the case. I would do anything in reason to break the power of that great octopus. I would call down upon them the just condemnation of an outraged people. I would do anything that I could for the Cuban people at the injury of the trust, but as we are powerless under the present Administration to call them to account is no reason to fail in our obligation to Cuba.

Mr. COOPER of Texas. Do you not think, if this measure should pass, that the trusts will get the eight millions that is given in this reduction?

Mr. HENRY of Mississippi. No, sir; I do not; and I will tell you why. I believe that when this crop of raw sugar is brought into this country it will be sold, and it will benefit the Cubans to the extent of the 20 per cent reduction. That, I take it, is the intention of the bill; that is certainly the way it reads, and unquestionably the purpose for which it was drafted. We can only hope that the future will bring us further reduction, as expressed in the Democratic platform; and we hope there will also come a day when some kind of competition will spring up to fight the trust. I will say this: That if this bill and this measure does help the trust, then the Republican party is responsible for such a condition of things. It will go to the country then that the Republican party by their act did help the trust, though declaring to help Cuba; it will prove to the country what we Democrats are urging—that there should be legislation against trusts, more effective than the present laws which govern them; that the present laws are inadequate and worthless, and the consequence is upon the Republican heads, and they must take it, and the people can then rightfully judge them.

Mr. COOPER of Texas. The gentleman does not want to be accessory to the crime, does he?

Mr. HENRY of Mississippi. I hope not, certainly not wittingly; but I am willing to take the consequences of this act. I can not say that it will benefit us, but it is a step in the right direction, and that is all I care for; and so long as it is a step in that direction I am ready to take it. It is Democratic doctrine to reduce the tariff. I am against the Dingley tariff, and stand ever ready to cut it whenever and wherever I can.

Mr. COOPER of Texas. The trust purchases all of the sugar shipped from Cuba, and they have the power to regulate the price. Does the gentleman think they are going to be so righteous and charitable as to give the Cuban people the benefit of this reduction when they have the power to take it themselves?

Mr. HENRY of Mississippi. I confess there is little to be expected from the trust, but I will say this, that this is lending a helping hand to the people of Cuba, the people for whom we have already spent millions of dollars. As it does not hurt the American people to spend \$8,000,000, I am in favor of letting them have it, because our money is expended anyhow. There is no danger of ever having an overflowing Treasury as long as the Republicans are in power. The Republican party will see to it that every dollar is expended. Therefore, if we are going to spend it, let us give it to the new republic, the republic that we have



helped to make, and let them start on the earth in good shape and fashion. Then, too, my friend, it is Democratic to reduce the tariff. The opportunity to begin to cut is at hand; will you as a Democrat refuse to accept the chance?

Mr. COOPER of Texas. I do not interrupt the gentleman to confuse or take up his time, but would he vote to-day to give a bounty to the cotton growers of Mississippi because they have to sell their cotton at  $\frac{1}{4}$  cents a pound?

Mr. HENRY of Mississippi. I understand the argument of the gentleman, but I have only a limited time. I understand, of course, how the price of cotton is fixed, as the price of wheat and the price of sugar is fixed in foreign ports, and I confess that I would do anything in reason to help the people who raise cotton so long as those people are compelled to sell in an open market and buy their goods in a protected one. But that is not the point I am discussing. I do not think it is pertinent to the question.

Now, Mr. Chairman, raw sugar is pretty raw stuff. I know it is not used by the people in that crude state, but, as I say, it is a step in the right direction, its reducing; it will help, in my opinion, for if they reduce this article to-day, and it does not hurt anyone, on to-morrow we may hope for more, and if our sugar-beet friends will retaliate on the party (Republican) that is injuring them, we may soon see the tariff taken from off the refined sugar. How does that idea strike the gentlemen from Michigan and Minnesota? Down in my State when cotton is selling at  $\frac{1}{4}$  or  $\frac{1}{2}$  cents a pound some of our people do not use clarified or refined sugar; they are not able to pay for it, and a little long sweetening in their coffee will help them much, and, as I say, let us start the reduction and hope for a long reduction and some short sweetening.

Mr. BURLESON. Will the gentleman permit me a question?

Mr. HENRY of Mississippi. I would like to do so, but my time is limited. I think I can not yield to the gentleman now, but should there remain to me any time after I have concluded my remarks I will be delighted to answer any questions I can.

Now, Mr. Chairman, we have expended much money in liberating Cuba. We have expended more in fighting the Filipinos in their far eastern islands in bringing about with blood and fire that "benevolent assimilation." I would like to stand here to-day and vote for a measure to liberate the Filipinos. I would be glad to stand here and vote for some measure giving to them a new government on the face of the earth. I would like to aid and help them. The other side of the House is attempting to make capital out of our acts on this side and criticised the vote of the Democratic party not long since on an appropriation bill because we objected to the building of barracks down in Manila for the soldier boys in the Philippines. That, sir, do you not know, was not a vote against the soldier boys; it was a vote against the permanent retention of the Army there in the Philippines, and all who know of the amendments offered know that to be the case.

My distinguished colleague from Mississippi [Mr. WILLIAMS] said, during the course of a speech made in this House in December last, that "he would sell the Philippine Islands if the worst comes to the worst." I can not believe that he meant that; he certainly would not barter away 10,000,000 people who came to us as they did. I would not barter away a country, much less a people. I would not sell for millions of dollars the country that has come to us as the Filipinos have, born in blood and blood now being given. What title could we give? "The one Spain gave us." She gave none, nor have we title, except by might and power to crush a weak nation who at first believed us their friends. I would turn them loose and give them their freedom, but money could not buy them. They are not ours by aught but force to dispose of.

Mr. Chairman, while touching upon the action of the Republican party in drifting toward Democracy, I am reminded of an item which I read with much pleasure in this morning's paper. It is an article which I want to read to you now, to show how the Republican party, or at least one of the distinguished members of that party, feels on the subject which is drawing us closer together, and which may finally disrupt the Republican party. I read from the Post of this morning:

[Special to the Washington Post.]

PINE FOREST INN, Summerville, S. C., April 9, 1902.

Thank heaven that the time has at last arrived when somebody has the courage to say the final word about a reunited nation.

President Roosevelt is the man. The occasion was his speech this afternoon in the auditorium of the Charleston Exposition. "The time was," said the President, laying aside his manuscript at the conclusion of his address, "when the statement could not have been made with truth that we were a reunited people, a people, indeed, and forever one. It can be said with equal truth that there was a time when it was necessary to keep saying it, because the assertion made it appear more true. The time is at hand, I think," continued the President, his voice ringing through the vast building, "that the time has already come, when it is absolutely unnecessary to say it again."

The tremendous demonstration which followed this remark and which made the rafters tremble, was convincing evidence of the approval it elicited in the hearts of his hearers. The speakers who had preceded President Roosevelt—Governor McSweeney, of South Carolina; Governor Aycock, of North Carolina, and Mayor Smythe, of Charleston—had all dwelt upon the fact that the country was now free from all sectional lines, but it remained

for the President to take up the theme of unity where they had left it and insist that there was no longer any reason or necessity for repeated protestations of the South's loyalty to the Union.

Those are the utterances of a great man—the President of the United States. No man, Mr. Chairman, could give voice to such thoughts but who would be respected, admired, and loved that he dared utter them. Those are the words of a man who has gone among the Southern people to talk to them, to see and know them, to see their exhibition, see their thrift and industry, and see what they can do—to honor them with his presence. And to-day we are confronted here in this House with a resolution introduced by the gentleman from Indiana [Mr. CRUMPACKER] which calls for an investigation of States, but which is aimed at the Southern States. Let me read the resolution:

*Resolved, That the Speaker shall appoint a select committee, consisting of 13 members of the House, whose duty it shall be, and who shall have full and ample power, to investigate and inquire into the validity of the election laws of the several States and the manner of their enforcement, and whether the right to vote at any election for the choice of electors for President and Vice-President of the United States, Representatives in Congress, the executive and judicial officers of any of the States or the members of the legislature thereof, is denied to any of the male inhabitants of any of the States, being 21 years of age and citizens of the United States, or in any way abridged, except for crime. Said committee shall have power to subpoena and examine witnesses, under oath, and to send for records and other evidence that may be necessary for a full and complete investigation of the several subjects herein mentioned, and it shall be authorized to sit during the sessions of the House and to have such printing and binding done as it shall deem necessary. Said committee shall make a full report to the House of the result of its investigation at as early a date as is practicable.*

How different is the attitude of the gentleman from Indiana, who is urging an investigation of the Southern people because, as he says, they do not conduct their elections fairly. How different, I say, is his attitude from that of the President of the United States, who has just expressed the sentiments as I have read. Let us compare the two men and draw a parallel of their positions and their declarations. We have on the one hand the President of the greatest Republic on the face of the globe declaring, in no measured or qualified terms, a condition which is at once inviting and most acceptable to the Southern people, whose loyalty, as he said, can never again be questioned. The President spoke not from hearsay, but from observation. He went down among the people of the South. He went down among the people whose men have ever stood up for what was right and just, as they understood and believed, and have never yet stooped to dishonorable methods. He went among a people who would not for personal gain use any weapon against a common enemy other than that which the highest sense of honor would declare just.

He went among a people who are hospitable, a people who have no feeling of class distinctions, a community in which the man who follows the plow is as good as the man who sits in his castle. He went among a people where the man who sits down to his humble repast of corn bread and bacon is as good as the man who eats his sumptuous repast at a kingly breakfast table. He went into a community where the women are beautiful and intelligent and are ever gentle, well-demeaned, and refined, where they are loyal to their husbands and love their children. He went among a people where the children are trained in domestic homes and are taught to honor their father and their mother. He visited a land which, though once laid waste by the devastating hand of war, has blossomed forth anew like the rose of spring after a winter's sleep and sheds its sweet perfume over a gladdened and harmonious country. These are the people he saw and came to know; this is the land he visited. These are the utterances of the President of the United States, the acknowledged head of a great people, a reunited people, a united people, if you please.

The resolution which I have read was submitted and urged by the gentleman from Indiana, and is the utterance of an individual coming from a State where perhaps the negro is a factor in politics as he is in strikes, and where the negro desires to dominate, and where individuals may hope to gain their votes by such methods as the introducing of resolutions in order that they may be returned to Congress.

I thank God that it appears to be the disposition of this House to let that resolution sleep. I believe that the leaders of the Republican party are going to allow it to stay in its present resting place, where it belongs, in the gloom of its own company, from which it should never appear and blacken the earth by one moment of its darkened purpose.

Speaking for Mississippi, I might say we do not fear an investigation, because our constitution, at least, has been tested in the courts of the country. But speaking for the Southern people, speaking for the South generally, I say that I believe the Republican party feels that it will be doing a proper, just, and honest thing in allowing this resolution to slumber in its present obscurity for ever and ever. [Applause.] We of the South are bound to view any such resolution with feelings of misgiving and grave forebodings. That no good is intended for us can not be questioned, and we are made to feel that such proposed legislation would be an especial thrust at a great and good people of a united



Union by a hostile partisan. We believe such an act would eventually call for a rebuke from the voters of the country. I ask the question of the Republican members, Will the Republicans believe the President of the United States, or will they follow the gentleman from Indiana? [Great applause.]

I trust, Mr. Chairman, that I have made myself plain, and have shown why I support such an unsatisfactory measure. [Applause.]

#### MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. FITZGERALD having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. PARKINSON, its reading clerk, announced that the Senate had insisted upon its amendments to the bill (H. R. 11354) making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1903, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. MASON, Mr. PENROSE, and Mr. CLAY as the conferees on the part of the Senate.

Mr. PARKER. Mr. Chairman, I do not know whether I should take any note of the sentiments that have fallen from the distinguished gentleman who has just taken his seat [Mr. HENRY of Mississippi]. I understood that he was to speak in favor of the bill. I believe he has said that he will vote for it. But if any part of his speech has been directed to the bill itself, it has been to give a reason for his vote upon it, with which not one on our side will agree. Whether it was exactly to be expected of him when he took the floor in advocacy of this measure that he should attempt to put its advocates as much in a hole as he could is a question which I must leave to the gentleman himself. It has not been my habit to comment on what has been said by others. I want to stick to my subject—to the bill itself—and I shall do so.

I commence by saying that this is not a measure which is advocated by us because it is a step toward free trade; and anyone who favors it upon that ground will make a mistake.

Mr. Chairman, I approach this subject in an earnest spirit, far beyond any mere question of business or moneyed interest. I want to vote upon this question as a man who is looking, not to the interest of Cuba, not to the pockets of any man, not, indeed, to the mere pecuniary interest of the country, but to the general welfare of this people. And I want to say that in my opinion the vital question before us to-day is not whether the beet-sugar industry shall be successful in the United States or not. I do not believe that this bill will interfere with a single American industry. But the vital question is not that. The vital question is whether Cuba shall have a coolly population and be another Santo Domingo, or whether it shall grow up as a free and independent nation, colonized by people who are fit to make it so.

All history emphasizes what I have said. Cuba is too near for us to be indifferent to what goes on there—not for her sake, but for ours. To those who speak about the interests of any industry of this country, I appeal to say whether the difficulties to which we have submitted on account of Cuba are not of greater consequence than the interests of any such industry in these whole United States. I appeal to my friend from Michigan or my friend from Minnesota to say whether during the old days Cuba was not the protector of the slave trade; whether the traders that ran there were not always slipping slaves into the United States; whether there was not constant friction with this nation on that account; whether, coming down to a later period, the insurrections in which the people there were engaged did not bring on collisions with this country which many times all but went to the verge of war; whether the affair of the *Virginian* did not appeal to us more than any question of trade; whether the destruction of the sailors of the *Maine* does not always so appeal to us as we recall the awful fact and the tremendous consequences.

History teaches us that we can not be indifferent to the welfare of Cuba. What is more, our own action binds us to feel such an interest. We have been strenuous in asserting the new development of the Monroe doctrine, which demanded of us that, as to all American nations, and, most of all, Cuba, we will maintain their independence, their territorial integrity, and the rights of their population against European domination. In the case of Cuba we have made it a matter of agreement—

That the government of Cuba shall never enter into any treaty or other compact with any foreign power or powers which will impair or tend to impair the independence of Cuba, nor in any manner authorize or permit any foreign power or powers to obtain by colonization or for military or naval purposes or otherwise lodgment in or control over any portion of said island.

We have claimed and exercised the right and power to intervene to prevent any foreign domination. We did this in Mexico under the Monroe doctrine. In Cuba we have made this a matter of agreement and we have agreed with Cuba that if her liberty be in danger we will maintain it.

The Government of Cuba consents that the United States may exercise the right to intervene for the preservation of Cuban independence, the main-

tenance of a government adequate for the protection of life, property, and individual liberty, and for discharging the obligations with respect to Cuba imposed by the treaty of Paris on the United States, now to be assumed and undertaken by the Government of Cuba.

Mr. Chairman, those obligations were obligations to maintain a proper government. We have assumed no control. Cuba is free. We have rather assumed the protection of the liberties of Cuba and of its people in just government, and we can not be indifferent to what sort of people there shall be there. Questions of trade, questions of commerce, are subject to the question of who will be there. What constitutes the state? Men constitute the state. If we do not pass this bill, if three-quarters of the plantations of Cuba are sold under the hammer, what will happen? What better way could there be of putting them under the domination of the sugar trust than that? And over half are mortgaged—heavily mortgaged.

If my friends wish to give the sugar trust power, let them refuse to pass this bill. Mortgage foreclosures will give the sugar trust the power. But, whether it be they or other large land owners who get control of the lands of Cuba, their wish will be for labor, and if this bill do not pass, and it be possible for them, they will do what Hawaii has long wished to do, namely, encourage coolly immigration, Chinese or otherwise, under contracts, which amount to slavery, and will reestablish the cheap and nasty methods of the cultivation of sugar cane in that island. It is an island which has 41,600 square miles of land, sufficient, with the density of population that there is in Massachusetts, to accommodate 15,000,000 of people, although it has now only 1,600,000.

It is an island which, with the density of population that there is in Porto Rico, would have sufficient land to maintain a population of 10,000,000 of people. If this wonderful and fertile land, with its gentle slopes and fertile plains, and with its equable climate except on the immediate sea coast; if that place is to fill up with labor contracted for from China (perhaps contracted for from Africa—for who knows, in these days, but that this commerce may extend even into the midst of the Dark Continent?); if this country is to fill up with that sort of labor, it will be another Santo Domingo—neither more nor less—and we shall have to maintain the guaranty that we have given, not by the strength of the people of Cuba, but rather by the sword—by our Navy and by our Army—and by no other means.

If, on the other hand, as proposed by this bill, that sort of immigration and contract labor shall be cut off, if they can only admit population as good as that which comes to the United States, if the island can grow up as Texas did when it became an independent State and was peopled by the immigration of English-speaking people to such an extent that, although Spanish was once the language of that magnificent State, it is to-day almost unknown. If Cuba can grow in that way, if such growth can be encouraged by encouraging trade with America so that our capital will go there, so that their trade will come here, so that the affiliations between one and the other will be the same as has existed between Florida and the North, and that have built up that garden of flowers; I say if this can be done, the guaranty of independence costs us nothing. She has her independence, an independence protected not by war, but protected, created, and maintained by the sweet and blessed arts of peace.

Mr. Chairman, I have wondered sometimes why this clause of the bill has not been more attended to, why there has not been laid upon it more stress. We do not agree to give Cuba reciprocity absolutely. It is upon condition of the enactment by its government of immigration, exclusion, and contract-labor laws as fully restrictive of immigration as the laws of the United States. That condition is emphasized by the last clause of the bill, which provides that if these laws be not enforced it shall be the power and the duty of the President, whenever he shall be satisfied "that either such immigration, exclusion, or contract-labor laws or such agreement mentioned in this act is not being fully executed by the government of Cuba, to notify such government thereof, and thereafter there shall be levied, collected, and paid upon all articles imported from Cuba the full rate of duty provided by law upon articles imported from foreign countries."

Mr. Chairman, the emphasis of this bill is given, and justly given, to this clause. It appears in the beginning as a condition, but if the condition contemplated by the bill shall not take effect, it appears in the end as a proviso, by which it shall be defeated.

Mr. COOPER of Texas. May I interrupt the gentleman?

Mr. PARKER. Certainly; I am glad to be interrupted.

Mr. COOPER of Texas. Does that clause not exclude the laborer of America, of the United States, from going to Cuba under contract?

Mr. PARKER. Under contract, yes.

Mr. COOPER of Texas. Then do you think it right that we should legislate to prohibit people in Cuba from contracting with laborers in this country?



Mr. PARKER. I would like very much to prevent, if possible, any contract which would take any man from Massachusetts to the West or from the West to the East if it be done by contract. It is not done in that way.

Mr. COOPER of Texas. Then would you legislate to prohibit a man in Massachusetts from entering into a contract to go to Cuba?

Mr. PARKER. I have not said so.

Mr. COOPER of Texas. The bill so says.

Mr. PARKER. No, sir.

Mr. COOPER of Texas. You are advocating the bill?

Mr. PARKER. I am advocating the bill.

Mr. COOPER of Texas. And that particular clause you emphasize.

Mr. PARKER. I have emphasized this and the whole bill. I do not believe we want to fill up Cuba with people even from the United States who would not be fit to come to the United States, and you know what contract labor means.

Mr. COOPER of Texas. But the laws of the United States are now that you can not go abroad and contract for labor of a certain character and bring it here.

Mr. PARKER. That is true.

Mr. COOPER of Texas. Would you prohibit the Cubans from contracting with American labor and carrying it there to develop that country?

Mr. PARKER. Custom in this country prohibits that sort of contract for labor, without any law against it. The gentleman knows that the population of the United States is such that you can not get a gang of a thousand men in one part of the country and take them off to another part of the country. The only exception to it that I know of is in the turpentine districts of certain parts of North and South Carolina and Georgia, where I have seen gangs traveling about on the cars from place to place, going in gangs, men and women, who were run by contract in that way; and when I have seen that, I have been ashamed that there could be no law to prevent it. The American spirit means the hiring of each man, and not the contract system that is referred to by the gentleman.

Mr. COOPER of Texas. Your proposition, however, would prevent a man in this country, skilled in farming, from going there and improving the condition of the people of Cuba.

Mr. PARKER. No, sir.

Mr. COOPER of Texas. It would prevent an electrician entering into a contract to go there.

Mr. PARKER. No, sir.

Mr. COOPER of Texas. That is this bill.

Mr. PARKER. No, sir.

Mr. COOPER of Texas. Does the bill not say that no contract for labor shall be entered into by the people of Cuba in any other country?

Mr. PARKER. No, sir; it says that Cuba must enforce the same rules with reference to contract labor that we do.

Mr. COOPER of Texas. Our contract-labor laws would prevent a skilled electrician in England from making a contract there to come to take a position in the United States.

Mr. PARKER. Any electrician in England will not find the slightest difficulty in coming to the United States to engage in work here. He can make his arrangements without infringing any of the laws of the United States.

Mr. COOPER of Texas. If he entered into a contract to come here he would infringe the law.

Mr. PARKER. Well, it could be arranged easily enough in that case. The gentleman knows what the contract labor system is and what the law is aimed to prevent.

Mr. COOPER of Texas. Then you insist that the proper way to do would be to dodge the law or evade the law.

Mr. PARKER. I am not insisting that they should avoid the law. The gentleman knows perfectly well what the contract-labor system means. In nine cases out of ten it means not a contract with the laborer himself, but a contract with the boss of a gang, who brings the laborers. It is to prevent this that our contract-labor laws were passed. Whether they be right or wrong, whether they go too far or not, they are passed to prevent human slavery under the guise of contract—a slavery which I have seen existing in other countries and, alas, sometimes in this country itself.

Mr. COOPER of Texas. You have just said he could make arrangements to avoid that, and I inferred from your statement that you meant he could make arrangements to evade the law.

Mr. PARKER. No, sir.

Mr. COOPER of Texas. The law is that you can not enter into a contract to bring laborers into this country. Under this bill Cuba would be prohibited from making contracts with American citizens to go there. Do you favor that proposition in the bill?

Mr. PARKER. I would not want to import people from Cuba under a contract-labor system.

Mr. COOPER of Texas. We prohibit that now, but this bill proposes to prohibit Cuba from making any contract to bring in labor from outside that country.

Mr. PARKER. Must there not be reciprocity in all such arrangements? The gentleman knows perfectly well you can not have one thing for one country and another for the other. If we have a rule against Cuba we must allow them to have that rule against us.

Mr. COOPER of Texas. But we compel them to do it whether they want to or not.

Mr. PARKER. Better that than have a contract-labor system, which amounts to human slavery. The gentleman seems blind. Let me ask the gentleman a question. Does he want Cuba filled up with contract labor?

Mr. COOPER of Texas. No, sir. I want Cuba to make her own laws and execute them. I want her to be an independent government. I want her to be a country to make and execute her own laws without the aid of the United States.

Mr. PARKER. You are answering more than the question I asked. I will ask the gentleman a question.

Mr. COOPER of Texas. I will answer it categorically if I can.

Mr. PARKER. Does the gentleman think there is no danger of Cuba filling up with contract labor if we refuse to pass this act?

Mr. COOPER of Texas. There is only a possibility.

Mr. PARKER. Does not the gentleman think there is danger of it?

Mr. COOPER of Texas. Only a possibility of it.

Mr. PARKER. Then I differ with him. This is the parting of the ways now as to that fertile land. It means either enormous plantations worked by contract labor or else it means that we encourage immigration, not contract immigration, but free immigration of Americans and proper immigration from all countries of the world into a country that ought to be the garden of Eden, a garden not because of its fertility or wealth, though it has both of these, but a garden because it ought to be filled with the best people in the world instead of the worst.

Mr. HENRY C. SMITH. Will the gentleman allow me to ask him a question?

Mr. PARKER. Certainly.

Mr. HENRY C. SMITH. Do you contend under this law people from the United States can not go to Cuba?

Mr. PARKER. I do not contend anything of the sort. The gentleman asked me whether the contract-labor law of the United States would not prevent an electrician in London from making a contract. It would not prevent the electrician coming to the United States.

Mr. HENRY C. SMITH. Any man in the United States could go to Cuba freely.

Mr. PARKER. Certainly. Of course there might be difficulty in making an arrangement which would end in employment. That is possibly so. If so, we could correct that by further legislation. We can not expect any bill to be taken up and completed at once.

Mr. HENRY C. SMITH. Do you mean that we are going to keep on legislating for Cuba?

Mr. PARKER. We might make a reciprocity agreement with Cuba.

Mr. SAMUEL W. SMITH. Do you hold that the sugar now held in Cuba is not largely held in Cuba by the sugar trust and not by the producers?

Mr. PARKER. I know so little about sugar, after hearing all this debate, that I am really ashamed of it. I do know something about the growth of nations; I do know something about the history of Cuba, and I do know also that if the sugar trust has large holdings in Cuba, those holdings will be doubled after six weeks of panic; and I do know that the gentleman from New York [Mr. McCLELLAN] in his speech said that the great bulk of the sugar was now in the hands of independent producers.

Mr. SAMUEL W. SMITH. Independent of the sugar trust?

Mr. PARKER. Yes.

Mr. SAMUEL W. SMITH. Held by people living in this country?

Mr. PARKER. By native Cubans.

Mr. SAMUEL W. SMITH. Only 7 per cent is held by native Cubans.

Mr. PARKER. You are getting away from my position.

Mr. SAMUEL W. SMITH. No; I am holding you right square up to the bill.

Mr. PARKER. This bill says, and the principal part of the bill is, that Cuba shall not be filled up with coolies, Asiatics, or Africans, and it is vital to her. Now, gentlemen talk of annexation. I do not believe in annexation now—I may disagree with other people in the House—I do not believe in it now.

If Cuba were filled with Americans and Americanized, I might say "yes;" until then I say "no." I will say what may appear

a curious thing at first blush, namely, that annexation would hurt Cuba more than it would hurt the United States at the present time. That is a strange thing to say. But reflect one moment. At present Cuba collects her revenues by tariff duties. Annex her and she has to collect revenue by a land tax.

Mr. SMITH of Kentucky. I should like to ask the gentleman a question.

Mr. PARKER. Excuse me, I am on another topic. Is it on this topic?

Mr. SMITH of Kentucky. You have said that you are opposed to Cuban annexation.

Mr. PARKER. Let me get through with my statement as to the reason why. If Cuba were annexed she would get no revenues collected either from a protective tariff or a revenue tariff, but she would have to take her revenues from a land tax. What is more, she would be overrun by the cheaper products of American manufactured goods, manufactured cheaper than by the hand labor, such as she has down there; and the tailor would give way to the ready-made American clothes; the shoemaker would give way to the American ready-made shoes; the carpenter to the American ready-made furniture; the blacksmith, who makes even the hinges of the doors there, would give way to American manufactured hardware goods.

From that moment Cuba would become forever a farming country. We have seen that same thing in some of our own States from the effects of free trade. We can point out one or two States in New England that are not as rich as they were a few years ago. That is true of part of my own State, where it is purely a farming country. Manufacturers have not settled there, and they have not been able to compete with the great West, and the result is, being Americans, they have moved away from the deserted farms. You will find them in the hills of New Hampshire and in New York and New Jersey, farms deserted by the young, where a few old men eke out a poor existence in their old age, while the young men have gone to the mills and the West, and into the great broad community which we call American.

Let gentlemen consider the results if free trade be put upon Cuba, whose people speak a foreign tongue, with a different education and different customs, and have no place to migrate to where they can take their places in the mills and upon farms. They must stay there and starve. All history proves it.

What has free trade done for Ireland? Her people were different from those of England; they could not find a place there; if they had been English they could have moved over when England manufactures crowded their own out. As my friend Dominie Robinson, an Irish Republican protectionist, said, "The best way to see the effects of free trade in a farming country is to emigrate to Ireland." Now, take Jamaica and you have the same thing. Jamaica is a part of England—

Mr. TAWNEY. Does the gentleman want to apply free trade to the West and protection to the East by the adoption of this policy?

Mr. PARKER. No. If the gentleman will wait I will answer him. Take Jamaica and take the Cape of Good Hope, take India, and in each of these cases the old manufacturers of the country have been crowded out by English cheap-made goods, and the people have been impoverished; they do nothing agriculturally and the wealth is falling away rather than growing up. Now, I will answer the gentleman from Minnesota.

Mr. FITZGERALD. Will the gentleman allow an interruption?

Mr. PARKER. I am going to answer the gentleman from Minnesota.

Mr. FITZGERALD. I want to know if I understood the gentleman correctly. Is he attributing the present condition of Ireland to free trade?

Mr. PARKER. It has been emphasized by free trade, and has grown worse within the last forty years.

Mr. FITZGERALD. That has nothing to do with it. It is the infamous policy of the British Government toward Ireland, irrespective of free trade.

Mr. PARKER. Well, I will drop Ireland. I will take India and Jamaica. I will apologize to the gentleman, for I do not want to get into a controversy of that sort. [Laughter.] I will say, on the other hand, that where you see colonies like Canada and Australia you find precisely the opposite. They legislate to protect their own manufacturers by tariffs against even the home country. They are growing, and they are all the more loyal because they are all the more prosperous. I do not believe in the annexation of Cuba. It would mean death to her to make her absolutely equal with us and on an equality of trade.

Now, I want to answer the gentleman from Minnesota. The gentleman asked if I wanted protection of the East and free trade for the West. No; I do not. We can raise beets as well as the West. The gentleman need not think we can not. We can furnish capital toward the beet-sugar industry as well as the West.

What is more, we take our medicine of tariff changes from time to time, and take it without quite so much fuss as comes from the gentlemen of the West. In my State we had an enormous leather business, but at the last end of the Dingley tariff law there was tucked in a tax upon hides, our raw material. It knocked out at first about one-half of the leather business, and we have had to go into other things to make it up. There are hundreds of examples, for my town makes thousands of different articles.

When we find it is for the good of the country that one particular thing should be treated as raw material and others as manufactured product, and we find that we suffer from it, we turn our attention to other things, as all Americans will do. And remember that these laws are meant for the good of the country, and every American will submit to them for that reason.

The gentleman from Kentucky [Mr. SMITH] desired to ask me a question. I will gladly listen to him.

Mr. SMITH of Kentucky. I understood the gentleman to say that he was opposed to the annexation of Cuba, and he went on to give his reason—that it would result in the practical destruction of the people of Cuba. Now, I want to ask him whether such has been the result in Porto Rico, and whether there are not much stronger reasons for the annexation of Cuba than there were for the annexation of Porto Rico or the Philippines.

Mr. PARKER. I will answer the gentleman very frankly. At the time when the Porto Rican tariff was under consideration I opposed very strongly the abolition of that tariff. I believe time will bear out my view on that subject. I believe that through a succession of good crops Porto Rico has been more prosperous than might have been expected, but, on the other hand, she has had to substitute a land tax for the old-fashioned system of taxing the products when they reached the markets; and I am very fearful that if there should be at any time any failure of the crops, she will suffer the fate of all agricultural communities similarly situated—the fate that has fallen especially upon the Indian ryot—that is to say, most of her landholders will be sold out.

I am glad the gentleman called my attention to this point. I believe that the continuation of the Porto Rican tariff would have been to the advantage of Porto Rico. For a similar reason I believe that the Philippines are rightly preserving their right to a protective tariff for their own benefit, and are taxing even our own goods that are sent there.

Mr. RICHARDSON of Alabama. Will the gentleman allow me a question?

Mr. PARKER. Certainly.

Mr. RICHARDSON of Alabama. Does not the gentleman believe that it is for the interest of this Government in the future to confer statehood upon Cuba as early as possible?

Mr. PARKER. I will answer the gentleman's question—

Mr. RICHARDSON of Alabama. Is it not the best policy that this Government could pursue to confer upon Cuba, with her consent, at as early a day as practicable, statehood, regardless of beet sugar or Louisiana sugar or any other consideration of that kind?

Mr. PARKER. I will answer the gentleman's question by saying that I am not willing to take in as a part of the United States any country that has not been practically Americanized.

Mr. RICHARDSON of Alabama. That is not answering my question.

Mr. PARKER. I am answering the question. When Cuba has been, if she ever will be, Americanized and wishes to come to us, yes; until then, no. I believe that the policy in regard to Texas was right—the policy by which we first recognized her independence, then filled her with Americans, and then took her in.

Mr. RICHARDSON of Alabama. And we pursued the same course with California. Now, does not the gentleman believe that the speediest way of Americanizing Cuba is to confer statehood upon her?

Mr. PARKER. On the contrary, I think that the speediest way of failing to Americanize her would be to do anything of that sort. We have not Americanized Porto Rico—not in the least.

Mr. RICHARDSON of Alabama. Neither have we made her a State.

Mr. PARKER. We have given her free trade; we have given her greater opportunities than if she were a State of the Union. We more than pay the expenses of her government.

Mr. RICHARDSON of Alabama. We have not given her free trade.

Mr. PARKER. We have.

Mr. RICHARDSON of Alabama. Not absolutely.

Mr. PARKER. Absolute free trade.

But you can not Americanize a Spanish colony unless you make it profitable for Americans to go there; and the way we propose to make it profitable for Americans to go there, not merely to run sugar plantations but to do whatever work there is to be done, is by arranging a differential tariff, by reciprocity between that country and our own, and especially by keeping the coolies out.

Mr. RICHARDSON of Alabama. Is it not a fact that your



opposition to conferring statehood upon Cuba is based principally upon the fact that when Cuba comes in as a State all these questions in regard to tariff will vanish, and there will be absolute free trade between Cuba and the various States of this Union, just as there is to-day between Massachusetts and Illinois?

Mr. PARKER. No, sir. My difficulty is not in regard to trade questions at all. My difficulty in regard to bringing in Cuba now is first that it would ruin her financially, and second that she has not, in my judgment, the people or the government to send proper representatives to this country, because they do not feel about things as we do, and on many questions we should not agree. There would be matters of politics and religion in regard to which we should always be in trouble. I believe we must Americanize that country first by giving her an opportunity to carry on a government for herself.

Mr. WILEY. Will the gentleman pardon an interruption?

Mr. PARKER. Yes, sir.

Mr. WILEY. I understand the gentleman to declare that he will be in favor of the annexation of Cuba whenever that island has become Americanized. It has cost the United States about \$250,000,000 to break the grasp of Spain's merciless despotism over Cuba, and to establish a republican form of government there. The gentleman has just stated that he favored that clause in the pending bill which will prevent an American citizen having property interests in Cuba from taking contract laborers from the United States and working them in Cuba. Will the gentleman, who is in favor of such offensive discrimination against the American workingman, explain how he ever expects Cuba to become Americanized?

Mr. PARKER. I will answer the gentleman. The gentleman seems to have misunderstood the whole of my argument. I will answer him by saying that it never would be Americanized if Americans could take contract laborers there.

Mr. WILEY. Why not?

Mr. PARKER. Because you would fill it with coolies.

Mr. WILEY. With coolies? Why, what are you going to do with the Southern negroes?

Mr. PARKER. Then you would fill it with negroes. Do you want to put on Cuba all of the difficulties which now result from the race question in the South?

Mr. WILEY. I have asked the gentleman a question and I would be glad if he would please answer it.

Mr. PARKER. I have answered it. I said that instead of Americanizing it you will destroy it. I do not believe in contract labor anywhere. I have come now to the end of my time, and I can not submit to any further interruption. Briefly, to resume what has been said, the most vital question now before the American people is not whether they will make a profit more or less in any particular branch of business, but the question is more far-reaching; it is a wider question.

It is the question of whether there shall be pursued in Cuba a policy which will attract and bring to her people who shall renew her life and make her cease to be the thorn in our side that Cuba has been for the last fifty or one hundred years; it is whether there shall be created in that island a condition which will people it with those who will be a help to us instead of a hindrance, a people who will help us to carry out the agreements that we have made for the independence of Cuba and for her freedom from foreign control; it is whether she shall be made the home of the cooly or the home of the independent farmer and citizen. It is not a question of trade; it is a question far beyond the matter of prices. There rests upon us a duty because we have assumed to protect. This bill lies before us as the path, not only of honor, but of simple, direct common sense, that in the end we may make of that country one of which this land, as its creator, may be proud. [Applause.]

Mr. PAYNE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker pro tempore, Mr. DALZELL, having resumed the chair, Mr. SHERMAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12768) to provide reciprocal trade relations with Cuba, and had come to no resolution thereon.

#### NORWEGIAN STEAMSHIP NICARAGUA.

The SPEAKER pro tempore laid before the House the following message from the President of the United States:

To the Congress of the United States:

I transmit herewith, as a case not acted upon by the Fifty-sixth Congress, a report from the Secretary of State and accompanying papers relating to the appeal for indemnity addressed to the equitable consideration of the Government of the United States by the owners of the Norwegian steamship *Nicaragua*.

THEODORE ROOSEVELT.

WHITE HOUSE,  
Washington, April 11, 1902.

The message, with the accompanying document, was ordered to be printed and referred to the Committee on Claims.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. PARKINSON, its reading clerk, announced that the Senate had passed the following resolution:

Senate concurrent resolution 38.

Resolved by the Senate (the House of Representatives concurring), That the President be requested to return to the Senate the bill (S. 4383) granting the Central Arizona Railway Company a right of way for railroad purposes through the San Francisco Mountains Forest Reserve.

#### ENROLLED BILLS PRESENTED TO THE PRESIDENT OF THE UNITED STATES.

Mr. WACHTER, from the Committee on Enrolled Bills, reported that they had presented this day to the President of the United States for his approval bills of the following titles:

- H. R. 2770. An act granting an increase of pension to Otilia M. Smoot;
- H. R. 8696. An act granting an increase of pension to William B. Rowe;
- H. R. 10193. An act granting an increase of pension to John Hollister;
- H. R. 11381. An act granting an increase of pension to Abraham N. Bradfield;
- H. R. 7990. An act granting an increase of pension to Uriah Reams;
- H. R. 5413. An act granting an increase of pension to Alfred H. Van Vliet;
- H. R. 6029. An act granting an increase of pension to Mary E. Kelly;
- H. R. 1011. An act granting an increase of pension to John S. Raulett;
- H. R. 10044. An act granting an increase of pension to William Larzalere;
- H. R. 9301. An act granting an increase of pension to Barbara McDonald;
- H. R. 2120. An act granting an increase of pension to Horatio N. Warren;
- H. R. 2124. An act granting an increase of pension to Dewitt C. McCoy;
- H. R. 1706. An act granting an increase of pension to John E. White;
- H. R. 3180. An act granting an increase of pension to Edward S. Dickenson;
- H. R. 6713. An act granting an increase of pension to Freeman R. E. Chanaberry;
- H. R. 3418. An act granting a pension to Dennis Dyer;
- H. R. 11375. An act granting a pension to Charles F. Merrill;
- H. R. 10289. An act granting a pension to Eliza Stewart;
- H. R. 9821. An act granting a pension to John W. Moore;
- H. R. 6466. An act granting a pension to Josephine M. Dustin;
- H. R. 10117. An act granting a pension to Sarah H. H. Lowe;
- H. R. 3084. An act for the relief of bona fide settlers in forest reserves;
- H. R. 10363. An act to establish a life-saving station on Ocracoke Island, on the coast of North Carolina;
- H. R. 10530. An act to repeal war-revenue taxation, and for other purposes;
- H. R. 11409. An act to authorize the construction of a traffic bridge across the Savannah River from the mainland within the corporate limits of the city of Savannah to Hutchinsons Island, in the county of Chatham, State of Georgia; and
- H. R. 184. An act to establish and provide for a clerk for the circuit and district courts of the United States held at Wilmington, N. C.

#### ENROLLED BILL SIGNED.

Mr. WACHTER, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title; when the Speaker signed the same:

H. J. Res. 173. Joint resolution to authorize the Commissioners of the District of Columbia to issue certain temporary permits.

#### SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

- S. 4969. An act granting an increase of pension to Abbie George—to the Committee on Invalid Pensions.
- S. 4355. An act authorizing the issuance of a patent to the county of Clallam, State of Washington—to the Committee on Public Lands.
- S. 3898. An act to provide for the purchase of a site and the erection of a public building thereon at Flint, in the State of Michigan—to the Committee on Public Buildings and Grounds.

## CHANGE OF REFERENCE.

By unanimous consent, the Committee on Invalid Pensions was discharged from the further consideration of the bill (S. 3091) granting an increase of pension to Matilda R. Schoonmaker and the bill (S. 1225) granting an increase of pension to Clara W. McNair; and the same were referred to the Committee on Pensions.

By unanimous consent, the Committee on Interstate and Foreign Commerce was discharged from the further consideration of House resolution 203; and the same was referred to the Committee on the Judiciary.

## LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. BOREING, indefinitely, on account of business.

## REPRINT OF A REPORT.

Mr. RAY of New York. Mr. Speaker, I ask unanimous consent to have a reprint of Report No. 1522, which is substantially exhausted. There has been a great demand for the report.

Mr. RICHARDSON of Tennessee. Mr. Speaker, I would like to know what it is—not by number, but by name.

Mr. RAY of New York. It is a report on the bill limiting the meaning of the word "conspiracy."

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent for a reprint of Report 1522. Is there objection?

There was no objection.

And then, on motion of Mr. PAYNE (at 4 o'clock and 49 minutes p. m.), the House adjourned till 12 o'clock noon to-morrow.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several Calendars therein named, as follows:

Mr. MORRELL, from the Committee on the District of Columbia, to which was referred the bill of the Senate (S. 3439) to amend an act entitled "An act to license billiard and pool tables in the District of Columbia, and for other purposes," reported the same with amendments, accompanied by a report (No. 1546); which said bill and report were referred to the House Calendar.

Mr. MOODY of North Carolina, from the Committee on Agriculture, to which was referred the bills of the House H. R. 3128, 6543, and 12138, reported as a substitute therefor the bill of the House (H. R. 13523) for the purchase of a national forest reserve in the Southern Appalachian Mountains, to be known as "the National Appalachian Forest Reserve," accompanied by a report (No. 1547); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. MANN, from the Committee on Interstate and Foreign Commerce, to which was referred the bill of the Senate (S. 1464) to establish storm-warning stations at South Manitou Island, Lake Michigan, reported the same without amendment, accompanied by a report (No. 1548); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. CURTIS, from the Committee on Indian Affairs, to which was referred the joint resolution of the Senate (S. R. 71) directing the Secretary of the Interior to restate the accounts of certain registers and receivers of the United States land offices in the State of Kansas, and for other purposes, reported the same without amendment, accompanied by a report (No. 1549); which said joint resolution and report were referred to the Committee of the Whole House on the state of the Union.

Mr. PEARRE, from the Committee on the District of Columbia, to which was referred the bill of the House (H. R. 12349) granting certain privileges to the special policemen stationed at street crossings in the city of Washington, D. C., reported the same with amendment, accompanied by a report (No. 1550); which said bill and report were referred to the House Calendar.

Mr. RAY of New York, from the Committee on the Judiciary, to which was referred the bill of the Senate (S. 1178) providing for an additional circuit judge in the second judicial circuit, reported the same without amendment, accompanied by a report (No. 1551); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. RICHARDSON of Alabama, from the Committee on Interstate and Foreign Commerce, to which was referred the bill of the House (H. R. 12452) granting to the Mobile, Jackson and Kansas City Railroad Company the right to use for railroad purposes the tract of land at Choctaw Point, Mobile County, Ala., and now held for light-house purposes, reported the same without amendment, accompanied by a report (No. 1552); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. BUTLER of Pennsylvania, from the Committee on Naval Affairs, to which was referred the bill of the House (H. R. 10159) to give the commandant of the Marine Corps the rank of major-general, reported the same without amendment, accompanied by a report (No. 1553); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. DAVIS of Florida, from the Committee on Interstate and Foreign Commerce, to which was referred the bill of the House (H. R. 13208) to authorize the United States and West Indies Railroad and Steamship Company, of Florida, to construct a bridge across the Manatee River, in the State of Florida, reported the same with amendments, accompanied by a report (No. 1554); which said bill and report were referred to the House Calendar.

Mr. ADAMSON, from the Committee on Interstate and Foreign Commerce, to which was referred the bill of the House (H. R. 12938) to authorize the New Orleans and Mississippi Midland Railroad Company of Mississippi to build and maintain a railway bridge across Pearl River, reported the same with amendments, accompanied by a report (No. 1557); which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill of the House (H. R. 13246) to authorize the construction of a bridge across the Chattahoochee River between Columbus, Ga., and Eufaula, Ala., or in the city of Columbus, Ga., reported the same with amendments, accompanied by a report (No. 1559); which said bill and report were referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. MEYER of Louisiana, from the Committee on Naval Affairs, to which was referred the bill of the House (H. R. 9455) to remove the charge of desertion standing against the name of Lorenzo Marchant, reported the same without amendment, accompanied by a report (No. 1555); which said bill and report were referred to the Private Calendar.

Mr. RIXEY, from the Committee on Naval Affairs, to which was referred the bill of the Senate (S. 1321) to restore to the active list of the Navy the name of James G. Field, reported the same without amendment, accompanied by a report (No. 1556); which said bill and report were referred to the Private Calendar.

Mr. MEYER of Louisiana, from the Committee on Naval Affairs, to which was referred the bill of the Senate (S. 2533) to remove the charge of desertion against Frederick Schulte or Schuldt, reported the same without amendment, accompanied by a report (No. 1558); which said bill and report were referred to the Private Calendar.

## CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills; which were referred as follows:

A bill (H. R. 6336) for the relief of Peter Fisher—Committee on Military Affairs discharged, and referred to the Committee on War Claims.

A bill (H. R. 12381) granting an increase of pension to Isabella Ray McGunnagle—Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced, and severally referred as follows:

By Mr. MOODY of North Carolina, from the Committee on Agriculture: A bill (H. R. 13523) for the purchase of a national forest reserve in the Southern Appalachian Mountains, to be known as the "National Appalachian Forest Reserve," as a substitute for House bills 3128, 6543, and 12138—to the Union Calendar.

By Mr. NEVIN: A bill (H. R. 13524) to extend the provisions, limitations, and benefits of an act entitled "An act granting pensions to the survivors of the Indian wars of 1832 to 1842, inclusive, known as the Black Hawk war, Creek war, Cherokee disturbances, and the Seminole war," approved July 27, 1892—to the Committee on Pensions.

By Mr. COOPER, of Wisconsin, a bill (H. R. 13525) to amend an act entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes," approved April 12, 1900, and to establish personal rights for the people of Porto Rico—to the Committee on Insular Affairs.

By Mr. SULZER: A bill (H. R. 13526) to establish a department of labor—to the Committee on Labor.

By Mr. JOY (by request): A bill (H. R. 13527) to amend an



act entitled "An act to establish a code of law for the District of Columbia"—to the Committee on the Judiciary.

By Mr. ROBINSON of Indiana: A bill (H. R. 13528) to amend an act entitled "An act to provide a government for the Territory of Hawaii"—to the Committee on the Territories.

By Mr. BOREING: A bill (H. R. 13567) granting service pensions to the officers, soldiers, sailors, and marines of the civil war—to the Committee on Invalid Pensions.

By Mr. CURTIS: A joint resolution (H. J. Res. 175) authorizing the printing of 100,000 copies of a volume on farm animals—to the Committee on Printing.

By Mr. SCHIRM: A resolution (H. Res. 208) providing for the folding of speeches and pamphlets—to the Committee on Accounts.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills of the following titles were introduced and severally referred as follows:

By Mr. APLIN: A bill (H. R. 13529) granting an increase of pension to Francis C. Baker—to the Committee on Invalid Pensions.

By Mr. CASSEL: A bill (H. R. 13530) for the relief of Ephraim Greenawalt—to the Committee on War Claims.

By Mr. EDWARDS: A bill (H. R. 13531) granting a pension to William F. Goggin—to the Committee on Pensions.

By Mr. HALL: A bill (H. R. 13532) to correct the military record of Joshua Campbell—to the Committee on Military Affairs.

By Mr. HASKINS: A bill (H. R. 13533) granting a pension to Elizabeth Kew—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13534) granting an increase of pension to James Evans—to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 13535) for the relief of holders and owners of certain District of Columbia special-tax scrip—to the Committee on the District of Columbia.

By Mr. MONDELL: A bill (H. R. 13536) for the payment of C. Edward Artist, Edward F. Stahle, and Stahle & Artist, of balances due for surveying public lands—to the Committee on Claims.

By Mr. MOSS: A bill (H. R. 13537) granting a pension to Rupert S. Rives—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13538) granting a pension to Joseph Dasset—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13539) granting a pension to Henry Taylor—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13540) granting an increase of pension to John B. Graves—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13541) granting an increase of pension to Charles W. Bivin—to the Committee on Invalid Pensions.

By Mr. NEVIN: A bill (H. R. 13542) granting a pension to James Pusey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13543) granting an increase of pension to Thomas Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13544) granting an increase of pension to John M. Chandler—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13545) granting an increase of pension to Adam Walter—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13546) to remove charge of desertion from record of Albert W. Keller—to the Committee on Military Affairs.

By Mr. OVERSTREET: A bill (H. R. 13547) granting a pension to David B. Wood—to the Committee on Invalid Pensions.

By Mr. RAY of New York: A bill (H. R. 13548) granting an increase of pension to Caroline Bingham—to the Committee on Invalid Pensions.

By Mr. RICHARDSON of Tennessee: A bill (H. R. 13549) instructing the Attorney-General not to plead statute of limitation as a bar to suit of D. G. Lee—to the Committee on Claims.

By Mr. RIXEY: A bill (H. R. 13550) for the relief of Hezekiah T. Embrey, administrator—to the Committee on War Claims.

By Mr. WARNOCK: A bill (H. R. 13551) granting a pension to Rachel Walker, widow of Curtis H. Walker—to the Committee on Invalid Pensions.

By Mr. WOODS: A bill (H. R. 13552) granting an increase of pension to Reuben B. Richards—to the Committee on Invalid Pensions.

By Mr. CURTIS: A bill (H. R. 13553) granting an increase of pension to Ruth A. McMillan—to the Committee on Invalid Pensions.

By Mr. BELL: A bill (H. R. 13554) granting an increase of pension to Edward E. Hicks—to the Committee on Invalid Pensions.

By Mr. CURTIS: A bill (H. R. 13555) for the relief of John W. Johnson—to the Committee on Military Affairs.

Also, a bill (H. R. 13556) for the relief of Robert H. Semple—to the Committee on Military Affairs.

Also, a bill (H. R. 13557) granting a pension to Robert Kenish—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13558) granting a pension to William N. Johnston—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13559) granting an increase of pension to Edward H. Hendrick—to the Committee on Pensions.

Also, a bill (H. R. 13560) granting an increase of pension to Joseph Thomas—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13561) granting an increase of pension to Ludwell J. Mosher—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13562) granting an increase of pension to David Aibogast—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13563) granting an increase of pension to Anderson Allsed—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13564) granting an increase of pension to James Barnes—to the Committee on Invalid Pensions.

By Mr. OVERSTREET: A bill (H. R. 13565) granting a pension to Mary V. Scriven—to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 13566) granting a pension to Mary A. Story—to the Committee on Invalid Pensions.

By Mr. BURTON: A bill (H. R. 13568) for the relief of William T. Crump—to the Committee on Claims.

Also, a bill (H. R. 13569) granting a pension to Elizabeth McGinniss—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13570) granting a pension to Amalia C. Young—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13571) granting a pension to Joseph Dunn—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13572) granting a pension to Clarissa Wolcott—to the Committee on Invalid Pensions.

Also, a bill (H. R. 13573) granting an increase of pension to Richard Tiner—to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ACHESON: Resolutions of Good Will Lodge, No. 106, Brotherhood of Railroad Trainmen, Allegheny, Pa., favoring the passage of the Hoar-Grosvenor anti-injunction bill—to the Committee on the Judiciary.

By Mr. ADAMS: Resolutions of Pennsylvania Lodge, No. 511, Railroad Trainmen, Philadelphia, Pa., against immigration from south and east of Europe—to the Committee on Immigration and Naturalization.

Also, resolutions of the Philadelphia Drug Exchange, of Philadelphia, Pa., favoring a reorganization of the consular service—to the Committee on Foreign Affairs.

By Mr. APLIN: Resolutions of St. Joseph Society, No. 1, of Bay City, and Polish Roman Catholic Society of West Bay City, Mich., favoring the erection of a statue to the late Brigadier-General Count Pulaski at Washington—to the Committee on the Library.

By Mr. BOWERSOCK: Resolution of Blue Post, No. 250, Grand Army of the Republic, of Topeka, Kans., favoring the construction of war vessels in the United States navy-yards—to the Committee on Naval Affairs.

Also, resolutions of citizens of Topeka, Kans., favoring the abolition of the British station in Louisiana, from which horses, mules, etc., are shipped to South Africa, and asking that the belligerency of the Boers be recognized—to the Committee on Foreign Affairs.

By Mr. BURLESON: Resolutions of the Utah Cattle Growers' Association, protesting against the passage of the oleomargarine bill—to the Committee on Agriculture.

By Mr. BURTON: Resolutions of Branches Nos. 258, 143, 17, and 458, St. Vincent and Sacred Heart Societies of the Polish National Alliance, all of Cleveland, Ohio, favoring the erection of a statue to the late Brigadier-General Count Pulaski at Washington—to the Committee on the Library.

By Mr. CASSEL: Papers to accompany House bill for the relief of Ephraim Greenawalt—to the Committee on War Claims.

By Mr. CASSINGHAM: Resolutions of Central Labor Union of Coshocton, Ohio, favoring an educational qualification for immigrants—to the Committee on Immigration and Naturalization.

Also, resolution of the Newark, Ohio, Board of Trade, approving of House bill 8337 and Senate bill 3575, amending an act to regulate commerce—to the Committee on Interstate and Foreign Commerce.

By Mr. COONEY: Resolutions of Brotherhood of Railroad Trainmen of Springfield, Mo., in favor of the extension of the Chinese-exclusion law—to the Committee on Foreign Affairs.

By Mr. CROWLEY: Paper to accompany House bill granting a pension to John W. Foot—to the Committee on Invalid Pensions.

By Mr. DALZELL: Resolutions of Polish Society of Pittsburgh, Pa., favoring the erection of a statue to the late Brigadier-

General Count Pulaski at Washington—to the Committee on the Library.

Also, resolutions of Brotherhood of Railroad Trainmen of Butler and Easton, Pa., and Order of Railway Conductors of Mauch Chunk, Pa., favoring the passage of the Grosvenor anti-injunction bill—to the Committee on the Judiciary.

Also, resolutions of Miners of Lick Run Union, No. 230, Broughton, Pa., on the subject of immigration—to the Committee on Immigration and Naturalization.

By Mr. DE ARMOND (by request): Paper to accompany House bill granting a pension to John F. Mitchell—to the Committee on Invalid Pensions.

By Mr. EDWARDS: Papers to accompany House bill 13531, granting a pension to William F. Goggin—to the Committee on Pensions.

By Mr. FITZGERALD: Resolutions of Rochester (N. Y.) Credit Men's Association in regard to the bankruptcy law—to the Committee on the Judiciary.

By Mr. FOERDERER: Petition of Naval Commandry No. 1, Camp No. 91, Spanish-American War Veterans, Philadelphia, favoring the passage of Senate bill 1220, to extend to organized camps of the Spanish-American War Veterans the privileges granted to Grand Army posts—to the Committee on Military Affairs.

Also, resolutions of Kensington Lodge, No. 113, Brotherhood of Railroad Trainmen, of Philadelphia, Pa., for the enactment of the Foraker-Corliss bill, amending the law relating to safety appliances—to the Committee on Interstate and Foreign Commerce.

Also, resolution of the National Hay Association, favoring House bill 8337, to amend an act to regulate commerce—to the Committee on Interstate and Foreign Commerce.

Also, petition of Typographical Union No. 2, of Philadelphia, Pa., urging the defeat of House bill 5777 and Senate bill 2894, amending the copyright law—to the Committee on Patents.

By Mr. HEPBURN: Resolutions of United Mine Workers' Union No. 708, of Forbush, and Union No. 159, of Harkes, Iowa, favoring an educational qualification for immigrants—to the Committee on Immigration and Naturalization.

By Mr. HOWELL: Petition of citizens of New Brunswick, N. J., urging the passage of House bills 178 and 179, proposing to reduce the tax on whisky—to the Committee on Ways and Means.

By Mr. JACK: Resolutions of Charles S. Whitworth Post, No. 89, Grand Army of the Republic, Department of Pennsylvania, favoring the passage of House bill 3067—to the Committee on Invalid Pensions.

By Mr. JACKSON of Kansas: Resolutions of a mass meeting in Topeka, Kans., in relation to the war in South Africa, and the abolishment of the alleged supply camp at Chalmette, La.—to the Committee on Foreign Affairs.

By Mr. LACEY: Resolution of Mine Workers' Union No. 790, of Pekay, Iowa, for more rigid restriction of immigration—to the Committee on Immigration and Naturalization.

By Mr. LESSLER: Resolutions of Ship Carpenters' Union No. 9298, of Port Richmond, N. Y., for the exclusion of illiterate immigrants—to the Committee on Immigration and Naturalization.

By Mr. LINDSAY: Resolutions of the Rochester Credit Men's Association, indorsing the Ray bankruptcy bill—to the Committee on the Judiciary.

By Mr. LONG: Papers to accompany House bill 12514, granting a pension to Joseph Gray—to the Committee on Invalid Pensions.

Also, petition of Frank Porter and 60 other citizens of Great Bend, Kans., favoring House bills 178 and 179, for reduction of tax on liquor—to the Committee on Ways and Means.

Also, resolutions of Locomotive Firemen, Lodge No. 217, of Newton, and No. 515, Caldwell, Kans., in favor of the extension of the Chinese-exclusion law—to the Committee on Foreign Affairs.

Also, resolutions of a mass meeting at Topeka, Kans., requesting the abolishment of supply camp alleged to be conducted by the British at Chalmette, La.—to the Committee on Foreign Affairs.

Also, paper accompanying House bill 8560, to remove charge of desertion from the military record of James F. Gregg—to the Committee on Military Affairs.

By Mr. MAYNARD: Resolutions of Colonel Royal F. Frank Garrison, No. 50, Phoebus, Va., Army and Navy Union, in regard to personnel of the Navy—to the Committee on Naval Affairs.

By Mr. McRAE: Resolutions of the Little Rock (Ark.) Conference, against the repeal of the anticanteen law—to the Committee on Military Affairs.

Also, resolution of Alamo Division, Order of Railway Conductors, Texarkana, Ark., for the further restriction of immigration—to the Committee on Immigration and Naturalization.

By Mr. OVERSTREET: Papers to accompany House bill 13547,

granting a pension to David B. Wood—to the Committee on Invalid Pensions.

By Mr. PATTERSON of Pennsylvania: Paper to accompany House bill 13310, granting a pension to Anna McGowan—to the Committee on Invalid Pensions.

Also, papers to accompany House bill 13308, granting an increase of pension to John T. Boyle—to the Committee on Invalid Pensions.

Also, papers to accompany House bill 13443, granting an increase of pension to Sarah G. Williams—to the Committee on Invalid Pensions.

By Mr. RIXEY: Petition of Hezekiah T. Embrey, administrator of the estate of Robert Embrey, deceased, asking that their claim be referred to the Court of Claims under the Bowman Act—to the Committee on War Claims.

By Mr. ROBINSON of Indiana: Resolutions of Textile Workers' Union No. 155, of Fort Wayne, Ind., against the immigration of cheap labor from the south and east of Europe—to the Committee on Immigration and Naturalization.

By Mr. RODEY: Resolution of Rio Puerico Division, No. 446, Locomotive Engineers, for more rigid restriction of immigration—to the Committee on Immigration and Naturalization.

By Mr. RUMPLE: Resolutions of Federal Labor Union No. 6303, of Muscatine, Iowa, favoring an educational qualification for immigrants—to the Committee on Immigration and Naturalization.

By Mr. RYAN: Resolutions of the Rochester Credit Men's Association, indorsing the Ray bankruptcy bill—to the Committee on the Judiciary.

By Mr. HENRY C. SMITH: Resolutions of Our Ladies of Mount Carmel Society and Sacred Heart Society, of Wyandotte, Mich., favoring the erection of a statue to the late Brigadier-General Count Pulaski at Washington—to the Committee on the Library.

By Mr. SMITH of Kentucky: Papers to accompany House bill 12581, granting an increase of pension to Elijah F. Hocker—to the Committee on Invalid Pensions.

By Mr. SULZER: Resolutions of Rochester Credit Men's Association, Rochester, N. Y., urging the passage of the bill to amend the bankruptcy law—to the Committee on the Judiciary.

By Mr. WARNOCK: Papers to accompany House bill —, granting a pension to Rachel Walker—to the Committee on Invalid Pensions.

Also, papers to accompany House bill —, to amend the military record of S. B. Ellsworth—to the Committee on Military Affairs.

Also, paper to accompany House bill —, to grant five months' pay to A. B. Huff—to the Committee on Military Affairs.

By Mr. WILLIAMS of Illinois: Papers to accompany House bill 13566, for the relief of Mary A. Story—to the Committee on Invalid Pensions.

By Mr. WILSON: Resolutions of Congress Club, of Brooklyn, N. Y., indorsing House bill 6279, to increase the pay of letter carriers—to the Committee on the Post-Office and Post-Roads.

## SENATE.

SATURDAY, April 12, 1902.

Prayer by the Chaplain, Rev. W. H. MILBURN, D. D.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. MASON, and by unanimous consent, the further reading was dispensed with.

The PRESIDENT pro tempore. Without objection, the Journal will stand approved. It is approved.

### POST-OFFICE APPROPRIATION BILL.

Mr. MASON submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11354) making appropriations for the service of the Post-Office Department for the fiscal year ending June 30, 1903, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 30, 32, 33, 37, 39, and 40.

That the House recede from its disagreement to the amendments of the Senate numbered 20, 31, 34, 35, 36, and 38 and agree to the same.

\* That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Page 1, line 11, strike out the word "edition" and insert in lieu thereof the word "editions;" and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: Page 4, strike out lines 7 to 12, inclusive, and insert in lieu thereof the following: "The Postmaster-General is hereby directed to investigate and report to Congress as soon as possible the advisability and practicability of purchasing and adopting a uniform metal lock box, at a price not to exceed 50 cents, for the purpose of selling the same to patrons on rural free-delivery routes at cost;" and the Senate agree to the same.